DIGNITY, SECURITY and OPPORTUNITY

REPORT OF THE WELFARE ASSISTANCE REVIEW COMMITTEE

PRINCE EDWARD ISLAND

DIGNITY, SECURITY AND OPPORTUNITY

A REPORT OF THE WELFARE ASSISTANCE REVIEW COMMITTEE

PREPARED FOR THE MINISTER OF
HEALTH AND SOCIAL SERVICES

PRINCE EDWARD ISLAND February 1989

Additional copies of this report may be obtained by contacting:

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February 15, 1989

Honourable Keith Milligan
Minister of Health and Social Services
P.O. Box 2000
Charlottetown, Prince Edward Island
C1A 7N8

Dear Mr. Milligan:

We are pleased to submit to you a copy of the report of the Welfare Assistance Review Committee.

We have entitled the report "Dignity, Security and Opportunity". It is our hope that this title will be an accurate reflection of a philosophy that will guide the delivery of Welfare Assistance on Prince Edward Island through the last decade of the twentieth century.

We are also forwarding the many briefs and submissions that we received. As you can judge from these submissions, a large number of our fellow Islanders welcomed the opportunity to express their concerns in this province. They, and the members of the Committee, look to you and your fellow legislators to give careful consideration to the report and its recommendations.

Being part of this Review Committee has been an interesting and emotional experience. We have shed tears in seeing the pain of some welfare recipients; we shared the frustration of welfare workers whose ability to help was restricted; we felt a sense of pride in the caring and concern that Islanders have for one another. This undertaking has given us a new understanding of the word "neighbor". We thank you for this opportunity.

Sincerely,

Ian MacDonald
Ian MacDonald
Chairman

Carol Aitken
Carol Aitken

Evelyn Inman
Evelyn Inman

Anne Matthews
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Don Smith
Don Smith

Wayne Trowsdale
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ACKNOWLEDGMENTS

We gratefully acknowledge the many organizations, groups and individuals who presented briefs or submissions to the Committee or who took part in special consultations. More than 40 submissions were received. The contribution of these submissions formed the basis of our report. A list of the submissions are appended.

Public meetings were held in Summerside, Elmsdale, Montague, Souris and Charlottetown. In addition, the Committee held more than 60 private meetings. At many of these meetings we drew upon the expertise of specialists from the Department of Health and Social Services, the P.E.I. Housing Corporation, and from other agencies. To these people we are very grateful.

Thanks must also be extended to ALERT, a volunteer advocacy group for welfare assistance recipients. Their several presentations were most informative. It was particularly gratifying to receive submissions from groups such as the Construction Association of Prince Edward Island, and the Tourism Industry Association of Prince Edward Island, not usually thought of as advocates for the poor. Their interest and concern demonstrates the depth of caring that the citizens of this province have for its fellow citizens. We were also pleased to see the number of individuals that took the time, effort, and courage to make personal presentations.

We also extend our appreciation to those who worked as staff with the Review Committee. We are especially grateful to Steve Mullen, Special Services Section, who had the unenviable task of carrying out his regular departmental duties while at the same time acting as the project coordinator, researcher, and writer for the Committee. His knowledge of the Welfare Assistance Program was invaluable. Mary Perry, secretary and administrative assistant, deserves our heartfelt thanks for all her work in organizing meetings, recording Committee deliberations, and for the typing and numerous revisions of the report. We also wish to express our appreciation to Kay MacDonald for assisting in the editing process.

Finally we express our thanks to Mr. Keith Milligan, Minister of Health and Social Services. It is his acknowledgment of some serious needs in the Welfare Assistance Program that prompted this study to be undertaken.

We thank you all.

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INTRODUCTION

In response to the rapidly changing social and economic conditions of recent years, governments across North America have been engaged in a continuous process of welfare assistance program adjustment. Fluctuations in the economic cycle, marriage breakdown, the growing awareness of the potential of disabled persons, and increasingly active advocacy groups are but a few of the factors influencing political priorities and the commitment of tax resources. In Canada, the Charter of Rights and Freedoms has also had a significant influence on recent social policy. Welfare assistance policy, once reserved for the widowed and disabled, has had to cope with increasing numbers of single parents and unemployed employable persons. The evolution of welfare assistance has now reached the point where recipients and their advocates are asserting that welfare funding should be sufficient to assist recipients to gain or regain financial independence. The familiar demand by some members of the public that recipients be made to work for their welfare payments seems to have been exceeded only by the demand of some recipients that suitable employment be made available. Although "make work" projects have been acceptable to some, recipients expect to participate in the same job market as their employed neighbors.

Benefits have been universally criticized as inadequate. However, with caseloads escalating in size and consuming more and more tax dollars it has become increasingly difficult for governments to provide more adequate benefit levels. On Prince Edward Island, the various concerns were addressed with a decision by Government to have an independent group of citizens review the program. Although reviewed by a committee of the previous government in 1980, a complete new review was considered timely given the many socio-economic changes of the past eight years.

Committee Mandate and Procedure

The decision to review the Welfare Assistance program was first announced in the Speech From the Throne on February 26, 1987. Members of the Welfare Assistance Review Committee were appointed in August, 1987, and presented with the following guidelines:

- **Purpose of Review:**

  To examine ways by which the Welfare Assistance program can adequately meet the needs of the persons it is intended to serve.

- **Terms of Reference:**

  1. To examine the circumstances of persons receiving assistance to ensure the benefits and services are appropriately structured to meet both immediate need, and potential for self-sufficiency.
  2. To examine the adequacy of welfare assistance benefits in relation to benefits provided recipients in other provinces/territories, and in relation to local costs.
  3. To identify existing policy or program features that encourage welfare assistance dependency and recommend changes that will encourage recipients to explore alternatives to welfare assistance.
  4. To examine the housing problems confronting recipients and make creative suggestions to improve the quality of housing in relation to cost.

No specific deadline was given for the review, although when first announced it was hoped that Committee recommendations would guide the fall budget process with respect to welfare assistance expenditures. However, the review took much longer than anticipated because of the complexity of the program and the range of issues to be analyzed and studied.

Members of the Committee were provided an initial orientation to the Welfare Assistance Act, Regulations, policies and caseload data. Public hearings commenced in September and concluded in November, with one held in each of the Regional Services Center areas. In the twelve months since the public hearings, Committee members met on an average of once per week to address concerns raised by the public, recipients, community agencies, and staff of the Department of Health and Social Services. Considerable analysis and discussion was required to ensure that members fully understood each issue thus enabling them to make informed recommendations. This report will follow the same sequence as that of the Committee deliberations. In Part I, it will examine the historical context of welfare assistance in a general way and will deal with Prince Edward Island specifically. It will examine the strengths and weaknesses of the current program, and the broader possibilities for major reform. Part II will examine the program in detail with discussion of alternatives and concluding recommendations. Part III will provide a suggested priority guideline for the implementation of the numerous recommendations.

PART I

CHAPTER 1 - YESTERDAY

CHAPTER 2 - TODAY

CHAPTER 3 - TOMORROW

CHAPTER 1

YESTERDAY

Early History

Long before Jacques Cartier set foot on Prince Edward Island, formalized welfare assistance was a reality in England. As the concentration of labor shifted from the farms and pastures to the factories in the fourteenth century, thousands of poverty-stricken people migrated to the towns and villages, resulting in begging and creating problems of crime. In an attempt to curb the problem, repressive laws were passed. The striking cruelty of these laws may be seen from a single example: in one year, over 48,000 people were executed for minor crimes. However, despite the repressive laws, the state had recognized its responsibility to some categories of the poor. The aged and the handicapped were allowed to beg and not forced to work as were the able-bodied poor.

One source of refuge for the poor throughout England had been the churches and monasteries, which had controlled about one-sixth of the land. During the reign of Henry VIII, however, much of this property had been confiscated and returned to private ownership. The loss of the monasteries as a source of welfare aggravated the plight of the poor. Toward the end of Henry's reign and during the early part of the reign of Elizabeth I, the state began to acknowledge some minimal responsibility for the disabled poor. Able-bodied poor, however, were to be punished by enslavement.

Persistent vagrancy prompted the development of a system of relief, and taxes were introduced to finance this system. Mayors and other public officials were ordered to provide a stock of raw materials on which beggars could work in exchange for the relief that they received. Anyone refusing to work was sent to a house of correction where he was forced to work. The poor were also employed in public works projects to improve the towns and villages in which they lived. Movement by the poor from one district to another was also restricted by legislation. Badges were required to be worn by those receiving assistance to distinguish them from the working poor. When it was judged that parents could not provide for their children, the children were placed in employment, or sent to a work house. It was believed that by exposing the children to a work environment there would be less likelihood of their becoming criminals.

In Canada, welfare assistance or poor relief was considered a local responsibility until the 1930s when drought, crop failures and economic depression forced the federal government to financially support the provinces and municipalities. A number of legislative initiatives were passed to cost-share relief to the elderly, the blind, and the temporarily unemployed. Federally funded old age pensions followed, and Family Allowance was established in 1945. In 1966 the Canada and Quebec pension plans were established for working Canadians, and the Canada Assistance Plan created to cost-share welfare assistance with the provinces.

Welfare Assistance on Prince Edward Island

Welfare assistance on Prince Edward Island began with the provision of assistance to specific categories of poor who required special help through programs such as the Old Age Assistance and Blind Pensions programs of the 1930s. Occasionally this financial assistance was combined with municipal relief. Special grants were also provided to individuals through the provincial cabinet where circumstances appeared to so warrant.

By the early 1950s, the Province had developed five categorical assistance programs including: Blind Pensions, Old Age Assistance, Mother's Allowance, Child Welfare and a general Social Assistance program to cover unincorporated areas. The incorporated areas, such as Charlottetown and Summerside, were expected to bear some responsibility for meeting the financial need of the poor within their boundaries.

In 1967, following enactment of the federal Canada Assistance Plan (CAP) the municipal and provincial programs were combined within one General Welfare Assistance program. Payments to individuals were approved by a Welfare Advisory Board, consisting of five legislators who reviewed between 100-250 files per month by constituency and by county. Awards were arbitrary as the Board had discretion up to prescribed limits. This practice terminated in 1972 and with the completion of a comprehensive set of policy guidelines, authority was delegated to the Director of Welfare Assistance. To meet the increasing demands for assistance, some authority was further delegated to management and staff of the regional offices.

Canada Assistance Plan

Prior to the introduction of the Canada Assistance Plan Act (CAP) in 1966, most provinces had cost-shared categorical social assistance programs such as Old Age Assistance, Blind Persons Allowance, Disabled Persons Allowance and Unemployment Assistance. All of these programs focused on the cause of need. With the establishment of CAP, eligibility for assistance centered not on the cause but only on the fact that a person was in financial need.

The major objectives of CAP are:

- to assist the provinces in developing a comprehensive assistance program for all persons who are in need for whatever cause;
- to encourage the provision of adequate levels of assistance which would permit recipients to maintain a decent standard of living;
- to support the development and extension of welfare service which would help prevent and remove the causes and effects of poverty, child neglect and dependence on public assistance; and
- to promote the provision of adequate levels of institutional care for those who require it.

Under the CAP agreement, the Federal Government shares 50% of the costs incurred by Prince Edward Island in

- providing assistance to persons in need,
- welfare services to those in need or who are likely to become in need unless such services are provided, and
- work activity projects which are designed to improve the employability of persons who have unusual difficulty in finding or retaining jobs or in undertaking job training.

Responsibility for the provision of welfare assistance rests entirely with the provinces, and the CAP Act does not specify conditions of eligibility nor set standards for the provinces to follow. There are some limits, however, to what is considered shareable by CAP, and provinces are increasingly making policy and benefit choices according to CAP regulation and policy limits. In recent years, there has been considerable pressure on CAP officials to more appropriately meet the needs of recipients with employment potential by adopting more flexible guidelines to cost-sharing support services and benefits such as earnings exemptions. On the other hand, CAP will share the cost of such basic requirements as food, clothing, and shelter at whatever level is set by the province.

CHAPTER 2

TODAY

The authority to provide welfare assistance on Prince Edward Island is found in the Welfare Assistance Act and the Welfare Assistance Act Regulations. The purpose of the legislation is expressed or implied in various sections of both. The Act, sub-section 2(1), indicates that the Minister of Health and Social Services *shall* provide assistance to persons in need. A *person in need* is defined generally as someone who is unable to provide adequately for himself or his family on the basis of a test that relates his liabilities to his assets available to meet those liabilities. The test is more commonly referred to as a *needs test*, where individual or family need is determined by comparing assets and income to the expenses required for daily living.

The actual asset limits are set by Regulations and usually anyone with assets exceeding the prescribed limits is not eligible for assistance. Some short term exceptions are made to allow an applicant time to dispose of an asset or convert assets to cash. Where individual or family assets are within prescribed limits, an income and expense test is applied to determine if a budget deficit exists. Most income, including that from wages or salary, pension, property, rental, interest and self-employment must be considered. A few exemptions are identified in Regulations such as: a portion of earnings, involuntary deductions from gross wages, earnings of a child attending school, family allowance and child tax credits.

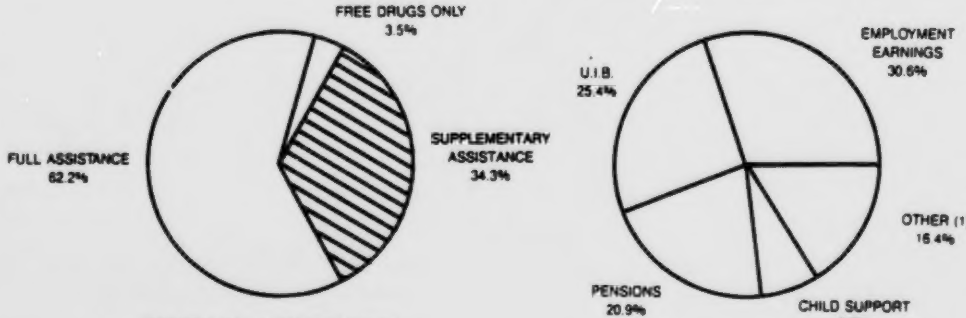
Expenses that may be used in the needs test are also prescribed in Regulations and include such basic needs as food, clothing, household, personal, shelter, electricity, fuel, fire insurance, property taxes, and drugs. Other special need items are sometimes allowed as part of the calculation of financial need. (Chapter 4 - Basic and Special Needs)

When addressing a request for assistance, a worker identifies the applicant's allowable monthly expenses and from this total deducts all non-exempt income. The resulting budget deficit is the amount the applicant is eligible to receive. Welfare assistance payments are usually distributed in the form of cheques. Credit vouchers, authorizing the recipient to receive a set amount of goods or services, are sometimes used when a delay from the processing of a cheque would create undue hardship. All recipients are provided with a drug card that enables them to receive emergency prescription drugs at local pharmacies. The pharmacy then invoices the Department of Health and Social Services. The drug card ensures that families may have immediate prescription drug needs filled without delay. Recipients with chronic or long-term drug needs must have their prescription filled at the Provincial Pharmacy in Charlottetown, either in person or by mail. A number of recipients are eligible for assistance only when their monthly drug expenses are added to the other basic need expenses. These recipients are provided free drugs only.

Diagram 1 compares the number of persons receiving full assistance because they have no other income to those receiving only supplementary assistance. Also indicated are the other sources of income earned or received by recipients on supplementary assistance.

DIAGRAM 1

TYPES OF ASSISTANCE AND SOURCES OF INCOME



— TYPES OF ASSISTANCE —

— SOURCES OF INCOME —
FOR PERSONS RECEIVING
SUPPLEMENTARY ASSISTANCE

(1) OTHER - INCLUDES: TRAINING ALLOWANCES, WORKERS' COMPENSATION, ROOM AND BOARD INCOME, ETC.

The Application Process

The process of determining the eligibility and financial entitlement of an applicant is referred to as the intake appointment. Typically, an intake appointment will be scheduled within one week of a request for assistance. If the circumstances appear to warrant more immediate attention, an emergency appointment will be arranged. When an applicant requests a home appointment, this arrangement is usually provided. If it is known that the applicant has specific problems other than financial need, an intake worker with particular skills in dealing with those problems may be assigned to carry out the interview.

The intake appointment may take up to ninety minutes. If time permits, the intake worker may address other problems of a non-financial nature. In cases where the applicant does not have all of the financial information required, a second appointment may have to be scheduled to complete the application process.

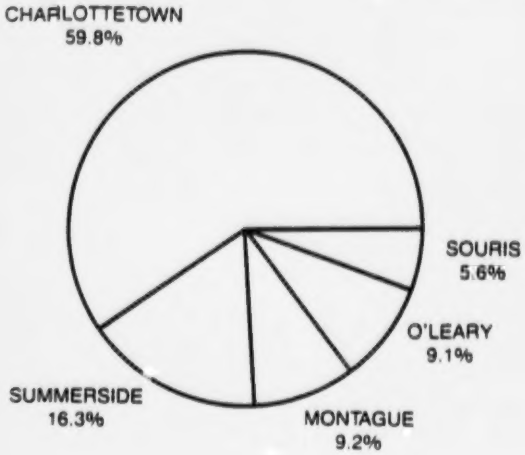
Throughout the interview the intake worker may be made aware of other concerns that the applicant has, such as problems with inadequate housing, marriage breakdown, parent-child relationships, physical, sexual or mental abuse, or alcohol/drugs. In situations such as this, the applicant may be assigned a worker with skills in that particular area, or referred to an outside professional resource. With the limited professional resources available, only those applicants with quite serious problems are likely to be so assigned or referred.

Once the intake process has been completed, the recipient is assigned to a field worker for follow-up and/or review. When there are follow-up issues concerning the establishment of initial eligibility, the field worker contact is usually immediate. Otherwise direct follow-up may not occur until a scheduled financial review is required. Review dates are established according to the intake worker's assessment as to how frequently financial or employment-related circumstances are likely to change. The case of an applicant whose financial status is stable may reviewed only once per year while one whose employment circumstances vary may be reviewed monthly. In cases where a worker is dealing with non-financial problems, additional visits may be necessary. An annual review is actually a re-application for assistance, as are some interim reviews. Adjustments incurred in either the income or expenses of the recipient may not necessitate a complete review. It is the responsibility of the recipient to inform the worker of any change in circumstances that would affect the budget deficit, in order that adjustment may be made to the monthly entitlement. Applicants who are considered employable and job-ready are expected to continuously seek employment opportunities or accept short-term work through the Job Creation Program. Those requiring special supports or services to assist them in finding employment may be referred to the Employment Enhancement Program for individual help.

Random case audits are completed on a number of the welfare assistance cases by the Departmental Case Auditor. Special audits are occasionally requested by regional directors. These audits usually involve meeting with recipients to confirm circumstances and to verify the accuracy of the income and expense levels. In addition, auditors for the Province periodically conduct file audits to identify problems in policy or practice. Canada Assistance Plan auditors routinely review cases to determine that cost-sharing guidelines have been followed.

DIAGRAM 2

CASELOAD BY REGION

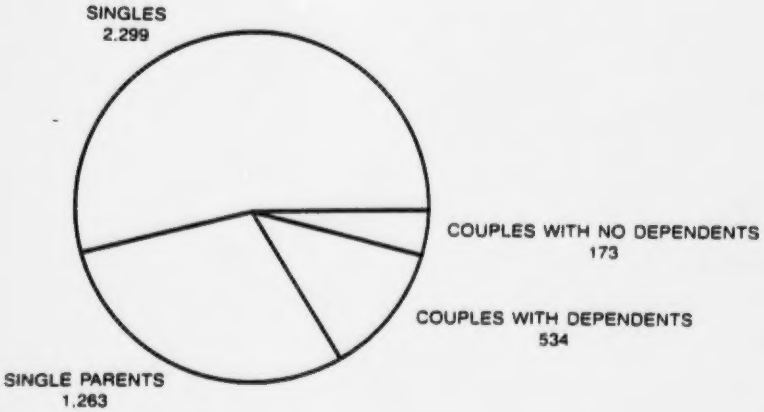


TOTAL CASELOAD 4269

JANUARY 1989

DIAGRAM 3

CASELOAD BY FAMILY TYPE

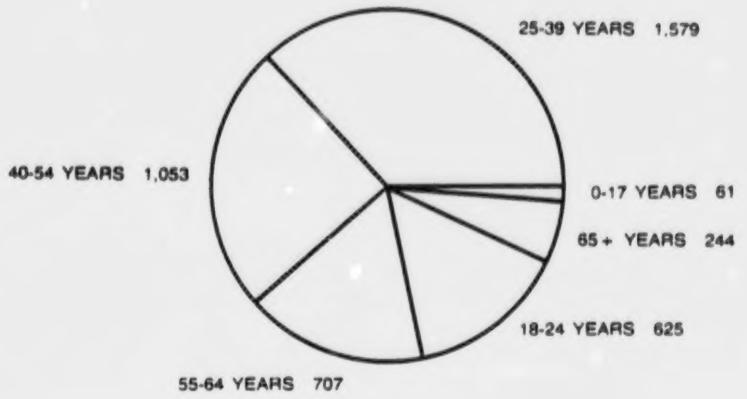


— TOTAL CASELOAD 4269 —

JANUARY 1989

DIAGRAM 4

CASELOAD BY AGE OF HEAD OF HOUSEHOLD

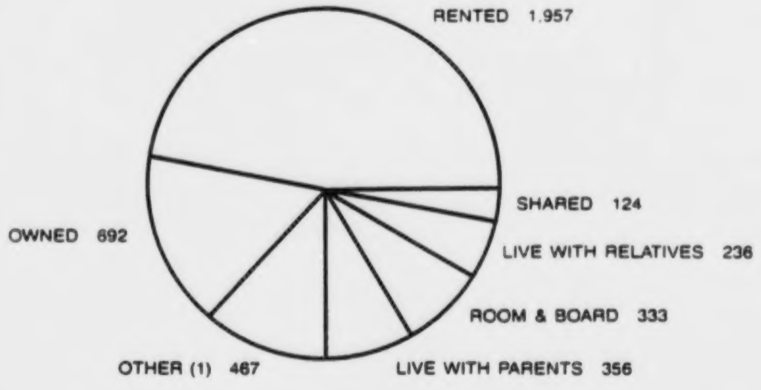


— TOTAL CASELOAD 4269 —

JANUARY 1989

DIAGRAM 5

CASELOAD BY HOUSING TYPE



— TOTAL CASELOAD 4269 —

JANUARY 1989

(1) OTHER - INCLUDES: NURSING HOMES, COMMUNITY CARE FACILITIES, GROUP HOMES, ADULT FOSTER CARE.

Program Strengths

The legislative basis for the program and the operational mechanism appear to be adequate for the delivery of life-sustaining benefits to persons in financial need. The legislation provides the basis for determining eligibility and amount of assistance. A number of basic and special need benefits are provided to cover a variety of individual circumstances. Flexibility in paying the actual cost of certain items allows assistance to be highly individualized. The most significant example of this is the shelter benefit, where the actual cost of accommodation, utilities and fuel is paid to a maximum level. This is preferable to the fixed benefit paid in some provinces, regardless of the circumstances of the individual recipient.

In addition to the provision of financial assistance to persons in need, the Minister has the authority to:

- "plan, develop, operate and manage any project or enterprise that has as its object to render recipients of assistance capable of self-support;
- make grants to any organization, group or body of citizens for the purpose of providing assistance to persons in need or likely to become in need;
- construct or acquire, maintain and operate residential institutions;
- sponsor, develop, or operate community development services;
- approve and designate welfare agencies within the province that may, under this Act, provide welfare services or assistance to persons in need or likely to become in need;
- approve residential institutions in the province;
- provide for such other matters as he deems necessary to attain the purposes of this Act. 1974 (2nd), c. 52, s.3." (Welfare Assistance Act, Section 3)

The decentralization of management and service delivery to local offices, with a central intake system, was a positive step ensuring that welfare assistance and related interventions can be easily accessed and supplemented with other needed services. Other services provided from the same offices include: general counselling, speech therapy, nutrition counselling, homemaker services, day care, vocational rehabilitation, mental retardation, family support, child protection, adoption and foster care. Referrals may also be made to other helping organizations such as mental health, family service agencies, legal aid, and housing.

While we have not yet addressed the issue of benefit adequacy, it must be acknowledged that the welfare assistance program does provide a basic guaranteed income to those who qualify. The provision of full assistance to recipients without income and supplementary assistance to others ensures the basic financial means to purchase the necessities of life. In addition, the positive economic and social impact on local communities cannot be overlooked.

Program Weaknesses

What seems workable in theory does not always work in practice. Our review has determined there are serious weaknesses in the Welfare Assistance program, including significant variations in benefits and quality of service delivery. The application/review procedure described earlier may result in a benefit for most applicants, but not without many becoming alienated in the process. Frustration may begin when trying to get an early appointment to obtain assistance for such essentials as food, oil or rent, followed by the humiliation of having to appear at a welfare assistance office and provide considerable personal and private information to justify financial need. Some of the information may need to be verified, requiring contact with a third party who otherwise would not be aware of the applicant's plight. Further embarrassment results when a recipient is required to use vouchers to purchase groceries or other goods, thereby announcing his or her recipient status to anyone in the vicinity of the store check-out.

Some of the steps in the process are unavoidable, and if handled by a sensitive worker with good relationship skills can be accepted by the applicant when fully understood. Recipients complain, however, that some workers are insensitive and abrupt, providing little helpful information and few alternatives. For many, the final indignity results when upon completion of the application process, the benefits received are inadequate to meet real need. Recipients with other problems may make those needs known and be directed to specialist staff or outside agencies. Many suffer in silence, however, and require a skilled and caring worker to help them identify and discuss their problems.

In 1975, the Department of Health and Social Services decentralized the management and delivery of welfare assistance and other services to their regional offices under the authority of local regional directors. Regional directors assigned workloads according to staff qualifications and demand for services. Simultaneously, a central intake system was established to ensure that requests for all services were competently assessed and appropriately assigned for follow-up. Although the concept of a central intake system was good in theory, in practice many professional staff found themselves dealing with relatively straightforward calculations of financial eligibility. Because there was a high demand for help with personal and family problems, it became necessary to assign non-professional financial workers to handle applications for welfare assistance. As a result, the ability of the system to help individuals or families deal with other serious problems at intake has become seriously impaired. For many, it has been reduced to a gathering of required information and a mathematical calculation of eligibility.

In spite of the problems experienced by many recipients, we are satisfied that the legislative foundation and benefit structure form a solid core from which to deliver basic welfare assistance and related services. The recommendations of Part II are intended to address the many identified weaknesses by offering ways to realistically improve the policies, the practices, and the benefits.

Unfulfilled Potential

When the Canada Assistance Plan Act was passed in 1966, 80-90% of recipients across the country were considered unemployable. The recipient group was almost entirely made up of the aged, the disabled, and women with dependent children. The few recipients who were generally considered able-bodied were often unable to function in employment due to a variety of problems including inadequate job and social skills. In this context, welfare assistance workers merely confirmed age or disability and reviewed expenses to determine specific entitlements. Changes occurred during the 1970s, as CAP guidelines required that persons be granted assistance if financial need existed. Employable persons previously excluded by categorical definition because they were not blind, disabled, or widowed could now receive assistance until they were able to become self-supporting.

The 1970s and 80s saw increasing numbers of women and disabled persons joining the labor market, adding competition for available jobs. Even more dramatic was the effect of the general economic recession of the early 1980s, resulting in rapid growth in the number of welfare assistance recipients. Some provinces were hit harder than others, depending on the numbers of jobs lost. In response, most provinces implemented job creation programs to keep many of these employable recipients active in the labor market.

It has become obvious that Welfare Assistance on Prince Edward Island, as elsewhere, was not designed to deal with so many employable persons. Not only had the total number of such cases significantly increased, these new cases required much more time to serve, involved more families with dependent children, and generally exhibited less stable financial circumstances. Recipients who were in and out of the labor market, required frequent adjustments in assistance. Those who were not seeking work, required frequent attention and encouragement. Others who were having problems adjusting to unemployment, often required help with emotional or family problems. Policies and benefits did little to encourage persons to return to work, particularly for those who were faced with giving up the security of a regular cheque, for little or no financial gain. For single parents, the added aggravation of trying to secure baby-sitting and transportation further reduced motivation.

It has become increasingly apparent to welfare assistance policy-makers that what is required to meet the various recipient needs is both **security** and **opportunity**. Those with no real potential to become financially self-sufficient require the security provided by an adequate level of assistance for the necessities of daily living. Those with employment potential, on the other hand, may require security only on a temporary basis, and really need an **opportunity** to gain or to regain financial self-sufficiency.

In examining Welfare Assistance on Prince Edward Island we are struck by the realization that while it provides a measure of security, it has not fulfilled its potential to facilitate growth toward independence. It is apparently a case of such potential being limited by practice rather than by legislation.

There are references in the Welfare Assistance Act Regulations that would seem to lay the foundation for more appropriate future practice. Subsection 3(1) requires that the Director "shall initiate preventive and rehabilitative measures where possible and shall take whatever measures are available to him to ensure that

- alternatives to financial assistance, such as work or job incentives, are provided to applicants in order to to assist the applicant to retain economic self- sufficiency;
- all applicants avail themselves of all opportunities to regain their economic self-sufficiency; and
- appropriate resources or services are provided to those beneficiaries who require long term assistance, so that growth toward self-sufficiency be achieved."

In addition, the Act empowers the Minister to establish or purchase "welfare services", described as "services having as their object the lessening, removal, or prevention of the causes and effects of poverty, child neglect or dependence on public assistance." (Welfare Assistance Act Regulations)

In spite of having the basis for providing opportunity-related benefits, supports, and services, current policy and practice is perceived by many recipients as giving the following message: If you pass this rigorous and intrusive eligibility test, we will reluctantly provide you with an almost adequate level of assistance while you struggle without support to overcome your many barriers to self-sufficiency".

The message that should be communicated, given the legislated mandate, should be this: "The Prince Edward Island Welfare Assistance Program is intended to help meet your immediate financial needs by ensuring adequate resources for food/clothing/shelter plus some of the special needs that may be required by you or your family, until you are able to gain or regain your financial independence. Other services, programs and benefits will be made available to support your efforts in this regard." Positive program change to reflect this more constructive message is the thrust of this report.

CHAPTER 3

TOMORROW

Welfare assistance is seen in a positive light by a very few. The term "welfare" itself was at one time associated with "well-being" and "prosperity" and is actually defined as "the state of doing well especially in respect to good fortune", *(Websters)*. The term usually has a different meaning, however, by virtue of its association with the granting of public assistance to the poor. To the beneficiaries welfare is intrusive, controlling, defeating and stigmatizing. To the taxpayer it is costly, easy to abuse, and provides too few benefits to some and too many benefits to others. In view of this, the continuing interest in providing alternatives to assistance is not surprising.

Persons apply for welfare assistance because their financial needs exceed their capacity to provide for themselves, and they have difficulty achieving or maintaining financial independence. In simplest terms, then, the alternative to welfare assistance is financial independence. Except for the few who inherit wealth, independence from welfare assistance can only be achieved through employment income for those who are able to work, or through pension income for those who are not able to work. The closer we are to full employment and the broader, more comprehensive our pension programs, the less we need a welfare assistance program.

The Employment Income Alternative

Our society places great value upon work and upon being productive. It holds the key to much of the meaning in our lives. Success and self-image, friendships, and community participation become very much work-related. In addition, paid employment facilitates financial independence which in turn enhances feelings of success,improves self-image and offers new opportunities to participate in community life and new relationships.

It is difficult to appreciate the true value of employment in one's life unless that employment is lost. Unemployment for most persons is accompanied by a sense of failure, loss of identity and loss of self-confidence. These changes contribute to such destructive problems as alcohol abuse, abuse toward spouse and dependents, criminal behavior, marriage breakdown, mental illness and suicide. Stress is one of the biggest health hazards facing the unemployed, causing changes in blood pressure and metabolism that in turn contribute to heart disease, strokes, ulcers, cancer and other diseases.

Employment then contributes to health and well-being, which in turn contributes to better family functioning. The payoff from employment to the family is dramatic, and for society it is reflected in reduced costs of health care and personal social services. Anyone who has experienced both employment and unemployment understands just how dramatically different life can be when one is working. For this reason, most recipients are eager to work rather than be on assistance. They desire freedom from the intrusive invasion of privacy and loss of control over one's life that is part of being on assistance.

Among those recipients willing and/or capable of working, are many faced with significant barriers to becoming self-sufficient through employment. Most of these barriers such as lack of education, experience, skills, transportation and child care needs, are well known and can be addressed through employment related programs and services. What is not well known, however, is that recipients of welfare assistance have not traditionally received their fair-share of employment support services, and training and employment opportunities. They have had to compete for attention with better educated, more experienced unemployed persons. For the few who did have opportunities, many were frustrated by welfare assistance policies that cancelled any financial gains.

For those who are able to work, employment at a wage exceeding welfare assistance benefits would be the alternative chosen by most recipients and supported by taxpayers in general. The opportunity for such employment can be dramatically affected by the overall economy, with job opportunities lost during times of recession, and gained during times of growth. A more contemporary phenomenon influencing opportunity, however, is the increasing supply of labor to compete for existing jobs. A major factor contributing to that supply of labor is the number of new persons seeking work, including increasing numbers of women and a generally expanded work force as a result of the baby boom years.

Equally significant, if not in absolute numbers, is the increasing number of disabled persons seeking to join the labor force, encouraged by new technologies and new public awareness.In spite of this, the hope we all share is for full employment, offering opportunity for anyone wishing to participate and work toward financial independence.

It is generally acknowledged that full employment does not mean "zero" unemployment, but is a somewhat higher figure to account for such factors as: persons voluntarily absenting themselves for a temporary period; location differences between available work and the unemployed; and skill differentials between the employer's requirement and the job-seeker's qualifications. The reality is that even if the economy naturally, or with political intervention, moves closer to full employment there will be those who are excluded due to significant disabling conditions; competitive disadvantages such as education, skill level of experience; and opportunity barriers such as geographic location, or lack of available child care. In addition, persons with larger families working at low wages will require supplementation. Therefore, even as we approach full employment the continuing need for welfare assistance is apparent, albeit on a more limited basis.

The Pension Income Alternative

The traditional policy definitions of unemployable persons on assistance included the disabled and aged who were seen as incapable of work in the competitive labor market; women who were then seen to be appropriately at home raising children; and those who had low potential and no motivation. Technological advances and affirmative actions by advocacy groups, self-help efforts of the unemployed, the Charter of Rights, and the economic necessity for many women to supplement their husbands' incomes, have resulted in a new perception of what employment potential really means. The result is that with the right kinds of support and opportunity previously unemployable persons can and indeed expect to work. The definition of work itself has changed from the traditional male-dominated, full-time, 9 to 5 activity to a variety of options and possibilities, creating new opportunities to manage home and work and new opportunities for many previously excluded persons to participate more fully in society through work.

In spite of this recent trend, a significant part of the welfare assistance caseload will not be candidates for regular paid employment due to the nature of their disability, alone or in combination with other factors such as age, education, skills, location, and the economy. A variety of programs exist to provide financial assistance to disabled persons such as: Canada Pension Plan, Workmen's Compensation, Unemployment Insurance, sick benefits, War Veterans' Allowances, and private disability insurance. Unfortunately, most provide assistance to a limited category of persons with eligibility and/or benefits defined by the cause of the disabling condition, employment contribution, war service, or paid premiums.

These programs leave many disabled persons without benefits and others with inadequate benefits. In both instances, such persons must rely on welfare assistance to provide for some or all of their basic needs. The inequities among programs should motivate governments to adopt a more universal disability pension that treats all persons unable to work, equally, regardless of whether the disabling condition resulted from auto accident, work accident, disease, congenital abnormality, or stress. In addition, it must be recognized that many disabled persons will never work, and many others with congenital disabilities will never qualify for disability insurance.

It may be argued from the taxpayers perspective that a pension granted to disabled persons not based on premiums or contribution from earnings is no different than welfare assistance. However, providing these persons with pension benefits would at least free them from the intrusive, controlling, stigmatizing nature of needs-tested welfare assistance. Pension incomes are granted without regard for the individual's living expenses and therefore do not restrict the recipient's use of the funds. In addition, because pensions are generally available to a broad group of recipients irrespective of actual financial need, there is no stigma associated with receiving the benefit. Old Age Security is probably the best example of an easily administered benefit that ensures a basic income to all elderly, and then is taxed back from those not in need. As a result, the elderly, compared to other groups, have considerable financial independence. In some instances, however, the pension benefit is not adequate to meet real need, and welfare assistance is required to supplement that income.

For those disabled persons who can work and earn income, the benefits of a universal pension program would be reduced, similar to the reduction in the Guaranteed Income Supplement to the elderly. Those whose family needs or special disability-related needs are greater than can be met through a basic pension program, could be supplemented by welfare assistance based on case-by-case consideration of actual need.

It is difficult to understand, in social policy terms, why we as a society continue to insist on categorizing the disabled according to the type of disability or the manner in which it occurred. Whether a person is mentally or physically handicapped, whether he was born disabled, or whether he was injured on the job or at home has nothing to do with his basic need for food, clothing and shelter, nor his potential for financial independence through future employment earnings.

In this regard, Welfare Assistance on Prince Edward Island is more advanced than some provinces, recognizing that "basic needs" are basic to all persons, and therefore provides the same food, clothing and shelter benefits to all recipients. Some provinces continue to provide higher basic need benefits to persons disabled by certain conditions, and in doing so have created inequities that cannot be rationally supported. *Equity* can only be achieved by providing the same basic income to all persons in financial need. *Adequacy*, on the other hand, may relate to the specific nature or extent of the disability. Living costs to disabled persons are generally higher than for the non-disabled, and obviously costs to a disabled person requiring attendant care will be higher than for a disabled person who can live independently. However, such extra costs must be addressed separate from the need for a basic income. This issue will be addressed more fully in Chapter 8.

We recommend that:

Recommendation #1

The Government of Prince Edward Island actively participate with the Government of Canada and other provinces and territories, in discussions leading to a national, universal pension program for disabled persons.

The Guaranteed Annual Income Alternative

Guaranteed annual income is a vision that dances in the heads of the public and policy makers alike. For some the administrative simplicity of such a universal income security program is its most attractive feature; for others it is the elimination of the stigmatizing and intrusive nature of *needs-tested* welfare assistance.

Administratively it makes sense to have one income security program that is national in scope, delivering income-tested benefits, and reconciled on an annual basis, with excess benefits recovered through the income tax system. In this context such a program would be no different than the Old Age Security/Guaranteed Income Supplement (OAS/GIS) benefit except that it would perhaps be all income-tested, rather than a combination of universal and selective benefits. Since the majority of working Canadians would not qualify, it would make no sense to grant everyone a basic benefit as is done with OAS.

The real issue in the guaranteed annual income debate is the *adequacy* of the benefit provided in relation to the *affordability* to the taxpayer. Add to this the fact that in welfare assistance each province has jurisdiction to decide what it can afford, and that expenditure is then cost-shared by the federal government. For a guaranteed annual income to gain acceptance, the benefit levels would have to be perceived as affordable by each province and territory since provincial finances would be affected.

In view of this, for guaranteed annual income to gain acceptance of all jurisdictions the benefit levels would have to be lower than many persons would require to meet their basic needs. This, in turn, would mean each province would continue to require a welfare assistance-type program to meet the basic needs of larger families, or the special needs of persons in unusual circumstances. Obviously, then, the more adequate the guaranteed annual income the less the need for welfare assistance.

In spite of the seemingly formidable obstacles, the notion of a guaranteed annual income should be pursued in the interests of more rational future income security policy, and notwithstanding the earlier recommendation on disability pensions, we further recommend that:

Recommendation #2

The Government of Prince Edward Island actively participate in discussions with the Government of Canada and other provinces and territories, leading to a national guaranteed annual income.

Security and Opportunity

In an effort to provide *security* for those who are permanently or temporarily unable to provide for themselves, and *opportunity* for those with potential for financial independence, the dual purpose of contemporary welfare assistance policy must be acknowledged. Both needs are extremely important and should not be traded off, one against the other, when providing program resources.

Residents who require the temporary or long-term financial security of welfare assistance should be provided that security in a manner that is the least intrusive, and least damaging to self-esteem as is possible in a needs-tested program. Dignity and self-worth must be respected, and should not be compromised in verifying real financial need. Persons with mentally, physically or emotionally disabling conditions should not be made to feel of less worth because they are not able to join or rejoin the competitive labor market. It is important therefore to provide daily living benefits that will allow modest comfort to such persons, as well as information and assistance to access other government or non-government programs or services that may be available to improve their quality of life while receiving assistance.

The majority of persons in receipt of welfare assistance are capable of achieving new levels of independence. For some that can mean complete economic self-sufficiency and freedom from welfare assistance; for others it may be a partial economic independence with less reliance on welfare assistance; and for still others it may mean continuing economic dependency, but in housing arrangements other than an institution.

Historically, governments have provided few alternatives to independent living, and most were institutional in nature. Mentally or physically disabled and mentally ill persons were routinely institutionalized when less extreme alternatives would have been more appropriate had they been available. We can also see that persons in need of financial help, if they qualified for welfare assistance, were provided with a voucher or a cheque. The cheques continued until their circumstances changed, but little was done to help them change those circumstances. Thus recipients were also "institutionalized" in an income security program. Like many of our traditional institutional facilities, life on welfare assistance offered poor comfort, and no help to get free of the dependency.

Welfare Assistance on Prince Edward Island, in addition to being a source of help for those in financial need, also has the the potential to be a vehicle to gain independence and freedom from future financial assistance. That potential will not be realized, however, without major changes in the attitude of policy-makers, welfare assistance workers, and the public. Welfare Assistance must be perceived not as a system of handouts to persons incapable or unwilling to provide for themselves, but rather as a program which will not only offer security but will also offer opportunities to enhance the individual's potential for self-sufficiency.

The inability of a person to work for a living, thus providing adequate shelter and nutrition for oneself and one's family, very often leads to feelings of inadequacy and worthlessness. This loss of self-confidence may be further eroded by being labeled in the community as someone who is dependent on the system.

It is our belief that this process of erosion of self-confidence can be reversed. Through improved policies, procedures, benefits, staff effectiveness and additional support services the self-worth and success of welfare recipients can be enhanced. In chapters 7, 9 and 10 in particular, recommendations will be directed at developing individual capability and motivation through new opportunities for support and encouragement. This in turn will generate a self-confidence that can be directed by the recipient in the pursuit of greater independence and self-sufficiency.

PART II

CHAPTER 4 - BASIC AND SPECIAL NEEDS
CHAPTER 5 - SHELTER
CHAPTER 6 - FAMILY
CHAPTER 7 - EMPLOYMENT
CHAPTER 8 - DISABILITY
CHAPTER 9 - PROGRAM DELIVERY
CHAPTER 10 - BUILDING FOR THE FUTURE

CHAPTER 4

BASIC AND SPECIAL NEEDS

One of the most frequently asked questions in welfare assistance policy discussions is "How do we compare to other provinces?" Whether asked by a politician, a bureaucrat or the media, there is a fascination with the relative position of this province to others. Recipients, on the other hand, rarely ask the same question. To them the adequacy of benefits is meaningful only in what it will purchase on Prince Edward Island. Those who are interested in provincial comparisons seem to be comforted when we are neither at the bottom nor at the top in providing benefits to recipients.

Apart from provincial comparisons, serious interest in benefit rates is rooted in one's philosophical orientation to persons in need. Those who see welfare assistance as a necessary evil to provide for families of the irresponsible or lazy would keep rates low, both to punish and to force such recipients to seek work, whether there is work generally available or not. These persons are also quick to distinguish the severely disabled as deserving of higher rates because they are unable to work through no fault of their own. Such exclusions or special categories can create the kind of benefit structure seen in Ontario with 22 different categories, where the blind receive more than other disabled persons, widows receive more than divorcees, and married adults receive more than single adults. Such categorical differentials are based on moral and value judgments that have nothing to do with the cost of food, clothing or shelter.

On the other side are those who see welfare assistance as protection for persons unable to provide for themselves due to disability or the lack of employment opportunity. They would not see higher benefits as rewarding personal failure. They would use other means to deal with problems of motivation or attitude, and would provide all recipients with the same basic assistance for food, clothing and shelter since those costs are similar for all, regardless of the reason for their being on assistance.

Although there will be occasional references to other provinces in this report, it is almost impossible to get a specific and meaningful comparison of rates among provinces because the benefit structures do not match closely enough for meaningful comparisons. Such structural features that differ from province to province include:

- categories that provide different benefits to various sub-groups of beneficiaries (e.g.. employables, disabled, etc.);
- some benefits are provided at a fixed rate, others at actual cost to the individual, usually to a prescribed maximum;
- FCHP (food, clothing, household and personal) benefits vary from province to province, some including shelter, or a portion of shelter (Newfoundland for example includes fuel in its formula);
- age structures vary for benefits to children;
- provinces differ in their definition of short-term and long-term benefits;
- in some provinces, utilities are subsidized for the general population, thus affecting the assistance rate for those items;
- subsidized shelter is more available in some provinces than others, reducing the amount of assistance required to meet basic need;
- provinces alter their assistance rates at different times of the year; and
- some provinces attach a low general rate for a particular item, then allow a higher rate for extenuating circumstances.

It is a little easier to make general comparisons such as the ones in *"Welfare in Canada - The Tangled Safety Net"* a report of the National Welfare Council (November 1987), comparing each province to the poverty level for the largest city in that province. Whether one accepts the poverty levels or not, (see Appendix A) the comparison does attempt to standardize a measurement of adequacy so the position of one province can be determined, relative to another. The measure is standardized to the extent that family, child and provincial tax credits are added to assistance levels to determine total annual income, which is shown as a percentage of the poverty line for each province. In this comparison, Prince Edward Island comes the closest of any province to providing assistance at the poverty line, others provide less, some significantly less. The comparison loses meaning again when the welfare component is examined. For Prince Edward Island, for example, the assistance figures quoted include the maximum shelter allowance, even though the majority of recipients receive the actual cost of their shelter, which is less than the maximum allowable.

For this reason, Prince Edward Island assistance levels as quoted are inflated by the shelter factor, giving the rates a higher standing in relation to some other provinces.

In view of the problems in making meaningful general comparisons with other provinces, it would seem that the only useful measure of adequacy is that which compares the benefit provided with the actual costs on Prince Edward Island. The *range* and *levels* of benefits provided is a different matter, however, and examining specific benefits in other provinces can be useful in comparing the purpose of a benefit, the rate itself and the administrative delivery considerations. For example, earnings exemptions were compared with other provinces in an attempt to arrive at a proposal that was effective, fair, affordable, and easily administered.

Basic Needs

Consistent with the intent of the Canada Assistance Plan Act (1966), The Welfare Assistance Act and Regulations were re-designed to provide assistance based on financial need rather than the cause of that need. This meant the elimination of higher basic benefits for some persons than others. Every applicant is now given a "needs test" (as described in Chapter 2) and granted assistance according to the resulting budget deficit. Food, clothing, household and personal rates (FCHP) are prescribed, and vary only according to size of family and ages of children, whether the breadwinner is disabled or merely unemployed. As a Committee we agree that this is the most appropriate way to determine benefit categories. Two families, the same size and ages, would presumably require the same amount for food, clothing, household and personal needs. This does not deny the fact that disabled persons may require a larger benefit to meet some of the costs of living related to their disability, and Prince Edward Island rightly considers such costs after the basic needs have been assessed. (See Chapter 8 - Disability).

The cost of shelter, on the other hand, is dependent on such factors as availability in a particular community, size of family, condition of the property, fuel and electrical consumption, and rent or mortgage amount. Some provinces provide a fixed benefit for shelter costs regardless of the actual cost to the recipient. Those recipients who can find cheap accommodation or whose mortgage is paid then receive a "windfall" as the shelter allowance exceeds the real needs of their family. On the other hand, families unable to find to find accommodation at reasonable cost may have to use food money to subsidize their shelter allowance, rendering the welfare assistance inadequate in their situation. In an attempt to avoid either of these situations Prince Edward Island pays actual cost of shelter and utilities to a prescribed maximum. These shelter ceilings are set according to local market conditions (Chapter 5 - Shelter). Thus, the benefits paid for shelter in a given case are adjusted up or down to coincide with increases or decreases in actual cost.

One important distinction in benefit structure is that between items of basic need and items of special need. *Basic needs* (food, clothing, household, personal, drugs, shelter, utilities) are granted to all recipients, either in their own home or through room and board. *Special needs* are only granted to those with a particular need, and cover a broad range of items (see Appendix B). Special needs may be granted in one-time only and crisis situations (e.g.. dental extraction, medical transportation, wheelchairs, eye glasses, house repairs, damage deposits, fridge, stove, etc.), and are provided as extra to the basic monthly assistance. In some situations, however, special needs that are recurring, are considered part of the basic needs for that family and added to the regular monthly cheque. These may include medical supplies, transportation, laundry, and baby-sitting costs for example. As a Committee, we support the existing structure, which varies benefits only according to family size, age of children, actual shelter circumstances, and appropriate special needs. Given this endorsement of the current benefit structure, it is important next to examine the adequacy of those benefits.

Food

The rate most often criticized as inadequate is that provided for food. In this province the food rate, while determined separately, is part of the FCHP benefit and determined by size of family and ages of children (see Appendix C). There are two issues related to the question of adequacy:

- What items is the food allowance expected to cover?
- How does it compare to the cost of purchasing food on Prince Edward Island?

In response to the first question, the food benefit is intended to provide a nutritionally adequate diet to persons on assistance. In reality, there are many requirements of daily living that are not covered by any welfare assistance benefit, such as: consumer debt payments, recreation/entertainment, vehicle expense, and minor home improvement costs. Since other benefits are paid at actual cost, the FCHP allowance is the only discretionary money available to the recipient. Obviously then, unexpected costs can only be paid at the expense of food, clothing, household and personal items. This is a more serious problem for families as parents are reluctant to deprive children of other needs or wants.

There is little that can be done about the choice some recipients make when using food money for other purposes. It is fair to say that anyone with a marginal income will make sacrifices in their food budget often to meet unanticipated but necessary expenses, as it represents the only discretionary funds they have, all others being previously committed to ongoing expenses. However, if the food allowance is inadequate to begin with, it only adds to that hardship. Such circumstances are no doubt a contributing factor to the rising demand for food banks and the incidence of persons not reporting casual or other income.

To answer the second question on the adequacy of the food allowance for the purpose for which it was intended, one must first determine what are acceptable food items and in what quantities. Prince Edward Island, like most other provinces, set its FCHP rate years ago and has made annual rate adjustments based on a blend of recipient/advocate demand, bureaucratic assessments of what is reasonable, and political priority. On the food portion, however, Prince Edward Island unlike most other provinces routinely does a Food Costing Survey using a "food basket" based on the nutritional requirements of a family of four. (Appendix D). This method would seem to be the most appropriate method of establishing costs, although there are a few limitations in the method, such as:

- There are no foods in the basket which have little or no nutrients, e.g. tea, coffee, spices, condiments, (ketchup, mustard, etc.).
- All foods require home preparation.
- In order to obtain a balanced diet a person must know which foods to purchase and how much of each food is required to give the proper nutrient content.
- The variety of food in the basket is limited. Anyone varying from the basket content will probably incur higher prices, have less volume of food and less nutrition.
- Prices vary from store to store. A person with limited mobility who is forced to shop at a convenience store will pay substantially more for food items. Convenience stores do not form part of the survey.

In spite of these limitations this method is the best available at this time to assess adequacy of the food allowance for the purpose of providing recipients with a nutritionally adequate diet. Using this method, which averaged the cost of specific food items on Prince Edward Island over the previous year, it was determined that rates were inadequate even with the increase of July 1, 1988. In addition to the traditional inflation adjustment expected July 1, 1989 to offset food cost increases since July 1, 1988, and to eliminate the existing inadequacy, we recommend:

Recommendation #3

The food allowance benefit be immediately increased by 6%.

Clothing

Basic Monthly Allowance

It is impossible to determine the adequacy of the existing clothing allowance as there are no approved criteria or list of basic clothing required to live on Prince Edward Island.

Obviously, the nature of one's circumstances influence clothing needs, with school children and working adults having the higher costs. It would seem that until such criteria can be established, the clothing allowance can be assumed to be as inadequate as the food allowance. In view of this, and in addition to the annual inflation adjustment, we recommend that:

Recommendation #4

The monthly clothing allowance be immediately increased by 6%.

Short-Term Clothing Needs

The current policy of not providing a clothing allowance during the first three months on assistance denies real need. Apparently implemented as part of a budget cutting measure in 1985, it was considered a change that would cause the least hardship to recipients. It was rationalized that new applicants would have clothing when they came on assistance and therefore not be in immediate need. The reality is however, that it could take several months at $19 per month to save enough for one or two necessary items. Also in certain circumstances (see Chapter 7) this policy acts as a disincentive to persons interested in short-term employment. We do not find this policy realistic and therefore recommend that:

Recommendation #5

A regular clothing allowance be provided from the date of eligibility for assistance.

Seasonal Clothing Allowance

In 1981 the seasonal clothing allowance was eliminated, although it was somewhat offset by a decision to exempt family allowance income. The net effect was that larger families gained a few dollars because their family allowance exceeded what they lost in the seasonal clothing allowance. Small families, couples without children and single persons lost the clothing allowance and received little or nothing in family allowance. Even the families who gained a little decried the change as it meant the loss of a benefit that was seasonally timed to a family's greatest clothing needs. The cheques were issued three times per year, for the purchase of school clothing, winter clothing and spring clothing.

Family allowance is received monthly and is easily spent on other needs. Only the most disciplined families could actually save from the family allowance each month in the face of other expenses. For this reason, we feel it is important to build a seasonal allowance back into the benefit structure. However, we do not think it appropriate to simply reverse the earlier decision and "trade-off" the family allowance, but rather to add a new more limited seasonal clothing benefit. We recommend that:

Recommendation #6

A seasonal clothing allowance of $6 per month, per person, be provided and distributed three times per year.

Household

Again, there is nothing in Regulations or Policy that gives guidance on what the household allowance is intended to cover. Whether established for this purpose or not, it is generally considered to provide items necessary to maintain the internal operation of a home, including such items as cleaners, waxes, detergents, laundry products, replacement dishware, tools and utensils, and small appliances. Without a specific list it is impossible to assess adequately, except in a very general way, and assume it to be no more or less adequate than the food allowance. In addition to the anticipated annual inflation adjustment, we recommend that:

Recommendation #7

The household allowance be immediately increased by 6%.

Personal

The personal allowance is primarily intended to cover personal hygiene items. The adequacy depends on whether it is also to cover such items as newspapers, magazines, church offerings, entertainment, gifts, etc. Until such time as the items intended to cover are spelled out, and in addition to the annual inflation adjustment, we recommend that:

Recommendation #8

The personal allowance be immediately increased by 6%.

Maintaining Adequate FCHP Levels

Ensuring that FCHP levels are adequate in the future involves two actions: first, establishing concrete guidelines as to what each component is intended to cover; and second, establishing a method of adjusting rates in relation to future costs of such items.

FCHP Guidelines

The adequacy of future FCHP will continue to be impossible to determine objectively unless criteria are established for clothing, household, and personal needs similar to that of the food cost survey. In addition, efforts should be made to reduce the limitations in the current survey method on food items. A second factor affecting the adequacy of these benefits is the skills and abilities of recipients to get the most benefit from the allowances provided. Obviously, the more skilled a recipient is in shopping and preparing meals the more adequate will be their allowance. It follows, then, that efforts should be made to enhance the skills necessary for recipients to get the most from their benefit dollar. We note that the Department of Health and Social Services employs community nutritionists and the Department of Agriculture employs home economists; both professional groups having something to offer in this regard. We are aware that the nutritionists are fully employed, working with high risk pregnant mothers, many of whom are recipients. We are also aware that home economists are equally busy in teaching and consulting in homemaking/home management matters. These services, however, do not appear to be reaching low income persons generally, nor recipients specifically. In other words, those most in need are not benefiting from the counselling and teaching resources that currently exist. In view of this, we recommend that:

Recommendation #9

The Department of Health and Social Services and the Department of Agriculture jointly develop a strategy that will:

1) provide FCHP guidelines for specifying items to be covered, and

2) implement an information and education program to assist recipients to get the best value for their benefit dollar.

Future Adjustments to Maintain Adequacy

Many demands were made for the indexing of benefits to the level of the Consumer Price Index to ensure rates keep pace with inflation. We are, in relation to the issue of indexing, mainly concerned with the FCHP rates, as most other items of need are allowed a rate equal to the actual cost. If a recipient's fuel or electricity bill increases 10%, for example, those allowances are adjusted by that amount even if the CPI were 4%. The same is true for a decrease. This is the fairest method that can be employed as recipients are reimbursed what it actually costs for these items.

The Welfare Assistance Act Regulations require that rates be reviewed by Executive Council on an annual basis. There is however, no requirement that they be adjusted. In spite of this, FCHP rates have been adjusted in 8 of the past 9 years, the only exception being 1983. Generally speaking, the adjustments granted in each of these years was the same as the status quo budget increase for all Government departments. While this has meant FCHP increases have generally kept up with inflation, it does not address the issue of whether or not the base benefit rate was adequate at the outset.

This method of increasing the benefits at a rate similar to the inflationary rate would appear to be a logical approach to addressing the change in the cost of living. It is, however, based on the premise that the base benefit was adequate at the outset. Throughout the hearings we have been told it was not adequate.

Furthermore, the Canadian Price Index (CPI) is used to determine the inflationary rate of change. While the CPI may indeed be a fair instrument to measure the change for an average Canadian, it may not be an accurate reflection of changes in the cost of basic items of need for welfare recipients. A more appropriate approach would be to review actual costs on a regular basis. Once the criteria have been established as recommended earlier, it would cost little to expand the Food Cost Survey to include items of clothing, household and personal need. We recommend that:

Recommendation #10

The Welfare Assistance Act Regulations be amended to require annual rate adjustments on the basis of regular FCHP cost surveys.

Special Needs

The special needs provisions of Welfare Assistance are restrictive in some ways and quite flexible in others. For the most part, section 19 of the Regulations contains the items of special need that are most likely to be required by recipients (Appendix B). In some instances, the items are open-ended, allowing payment of whatever the costs are to the recipient. In others a maximum payment is specified. In practice, approval of special need items over $200 must go to the worker's supervisor, over $500 to the program supervisor or regional directors, and over $1000 to the Director of Welfare Assistance. CAP however, will not cost-share items that are not authorized in provincial regulation. In spite of the apparent flexibility in the variety of needs covered, the reality is that the annual budget for special needs determines the amount expended and forces staff to choose priorities from among competing recipient needs.

Special needs items that are medically related are generally approved for payment with limits specified only on optical and dental coverage. If the annual cost of providing medically related special needs exceeds the amount budgeted for that purpose, additional appropriations are provided. All other special needs items, non-medically related, are limited by much tighter budgeting controls. Since budgets are allocated regionally, each office is expected to adjust its spending rate to ensure the budget lasts 12 months. To do this it is necessary for regional staff to deny many requested special need items. In the past some regional offices have provided clear guidelines to staff, and in others, approvals were limited to supervisors or a special committee.

The 2 or 3 previous fiscal years were particularly difficult since non-medical special needs budgets were cut and held to the level spent several years earlier. The result was that many necessary items that would have been approved in previous years, were denied. As costs increased due to inflation, a fixed budget meant fewer items could be purchased for needy recipients. On the other hand, without clear approval guidelines or budget limits, costs could escalate very rapidly for items of questionable need. Obviously, what is needed is a policy and budget combination that provides a good balance in responding to real need.

Given that the basic needs budget is determined in relation to caseload, and adjusted during the year as caseload increases or decreases, it would seem logical to budget for special need items in the same manner. We therefore recommend that:

Recommendation #11

The annual special needs budget appropriation be determined as a percentage of the annual basic needs budget.

Many special need items require specific attention and are addressed in later sections. Those related to shelter can be found in Chapter 5; children and families in Chapter 6; employment in Chapter 7; and the disabled in Chapter 8. Items requiring attention not addressed in those sections include transportation and dental benefits.

Transportation

Approval of a travel allowance or reimbursement of travel costs appears in several special needs policies where specific conditions or required approvals are addressed, (e.g. day-care, employment, health, etc.). The only feature common to all policies related to transportation is the rate paid. Since we have no public transportation on Prince Edward Island, the transportation benefit is a regular basic need for some recipients, and an occasional special need for others. Recipients without vehicles are given taxi fare or a mileage allowance for certain travel requirements.

Recipients who have their own vehicles are provided 13.5 cents per kilometer, to cover gas costs. While recipients argue that it is inadequate when considering the other costs of owning and operating a vehicle, the counter argument is that owning and operating a vehicle is a luxury and not a basic need. Those most likely to need a vehicle are recipients traveling to work daily who cannot obtain a regular ride with another party. In fact, Regulations exempt vehicles as an asset only if required to seek or travel to employment. We are concerned that the present transportation allowance remain adequate for the purpose intended, and recommend that:

Recommendation #12

The mileage rate to cover approved recipient transportation be indexed for automatic inflation adjustment.

Dental

Numerous concerns have been expressed about the restrictive dental policy, in that it does not routinely cover restorative work to save teeth. For the majority of recipients, the policy allows emergency dental services for the relief of pain or infection only. The few exceptions to this limited treatment are: full dental services to mentally retarded persons; dentures where all teeth are extracted due to pain or infection; partial dentures to replace front teeth; and on rare occasions, orthodontic treatment when required to correct a gross functional disability. This means that fillings to prevent the loss of a tooth are not generally approved unless as an alternative to a partial denture to replace an extracted front tooth.

On the one hand, good dental health practice appropriately encourages preventive and restorative work to maintain natural teeth for a lifetime. Dental technology, however, has become increasingly sophisticated and costly, making governments wary of comprehensive dental programs for recipients. In addition, many persons who have not seen a dentist in years, and with poor oral hygiene practice, could require $500 - $1000 in restorative work.

All children on Prince Edward Island from ages 3 - 16 are currently covered by the Children's Dental Program. Approximately 80% of eligible children use the program at an average cost of $82 per year. The costs are low because the children have been in the program from an early age where good dental hygiene is consistently reinforced, fluoride treatment is routine, and frequent checkups prevent costly restorations. Based on this experience, we believe that in the long run a full dental program for all Islanders would be cost-effective. The problem of course is the cost of getting to the point where all adults are on the program from childhood and therefore require little in annual maintenance. One way to accomplish this end would be extend the children's program to the adult population incrementally, such as adding one year each year to the upper age limit. This would keep the costs very low, but would deny any coverage to the current adult population. Alternately, an income tested adult program could be made available, thus limiting costs to a full or partial subsidy for those whose income is low enough to qualify. This option would provide coverage to the working poor as well as welfare assistance recipients. We recognize that both of these alternatives are outside the scope of the welfare assistance program.

A third option would expand benefits of the current welfare assistance policy to provide some restorative work to adult recipients. In this way at least the worst teeth could be filled, thus saving them from extraction. In considering the various options, we recommend that:

Recommendation #13

A universal dental program be established for adult residents of Prince Edward Island.

Furthermore, until such time as universal coverage may be extended to adults, we recommend that:

Recommendation #14

Preventive and restorative dental services be available to adult welfare assistance recipients to a maximum amount of $200 per adult per year.

CHAPTER 5

SHELTER

Housing is much more than walls and a roof over our heads to shelter us from the elements. It is the center of family social life and the headquarters from which the rest of the world is engaged. It can facilitate efforts to develop social relationships, and by its proximity to the larger community, provide opportunities for employment, education, and other essential services. Those most directly affected by housing factors other than health and safety are the disabled and the unemployed, both of whom find location alone a critical factor in the pursuit of future goals.

Most of the concerns raised by recipients during the public hearings were related to their need for safe, warm, affordable accommodation with no landlord/tenant conflict. In pursuing these concerns, information was presented about substandard homes and apartments that required major structural repair, some tenants who were vulnerable to fire or accident, and some landlords who were insensitive and abusive. We were also informed by landlords, of some recipients considered to be irresponsible tenants.

In most of these discussions, little attention was given to the obstacles that housing may present to one's future. The independence of disabled persons can be greatly facilitated or frustrated by the type and location of their accommodation. In order to find a wheelchair-accessible apartment, it may mean living in a part of town which is a greater distance from shopping and other necessary activities. Accessibility can be denied by something as minor as a front door that is too heavy to open easily. Second and third-floor apartments are inaccessible to most mobility-impaired persons. Interior design also frequently presents obstacles to the disabled.

In this province with no public transportation system, unemployed persons frequently find location an obstacle to new opportunity. This may necessitate a move to more work-accessible accommodation. Housing in areas of opportunity is usually more expensive and therefore not immediately accessible to persons on unemployment insurance and/or welfare assistance. Suitable housing can facilitate helpful and supportive social relationships, creating an extended family-type environment. This atmosphere is particularly important to families with young children, yet many recipients are forced to live in more isolated locations by the lack of suitable alternatives. Others will stay near their family support network in substandard housing, rather than move to better accommodations out of their area.

Very few recipients expressed a desire to own their own home. It seems that most have accepted their lot as tenants, or have put any dreams of home ownership on hold. When questioned, those responding were either discouraged, or related the dim outlook of home ownership to lack of employment. Even with employment, the prospect of saving a down payment for a home seems pretty bleak. The reality is that most recipients who have not had an opportunity to own their own home, do not expect to do so. While there are considerable efforts by governments and non-profit groups to increase the stock of rental units, little or no effort is going into developing ownership possibilities for low income residents.

Rental Accommodation

In addressing the shelter issue Committee members agree that low income tenants in general, and welfare assistance recipient tenants in particular, should have housing that is available, adequate and affordable. The inter-relationship of these factors means that the absence of any one of them may deny a particular accommodation to a recipient. An apartment that is both adequate and available may exceed the allowable shelter ceiling and therefore not be affordable to a recipient; one that is available and affordable may not be adequate if the heating system is beyond repair or a unit may be adequate and affordable but not available if someone else gets there first or the landlord refuses to rent to a welfare recipient. At this time, 2235 recipient individuals or families live in rented accommodation. This represents 74.4% of all recipients who live independently.

Adequacy

In 1983, the Department of Health and Social Services, Division of Community Hygiene, conducted a survey of accommodations being rented by recipients in Charlottetown and Summerside. Fifty-nine units were selected by the regional staff, and assessed by Community Health Officers using the Public Health Act,and the Rental Accommodation Regulations as guidelines. Fifty-four units were actually inspected and thirty-eight units or 70% were found to be substandard, or as stated in the report: "either non-habitable or required major renovation to make them habitable". There are two general approaches to improving housing standards for low income people: one, to legislate and enforce accommodations standards; or two, to encourage construction of more units at the lower, affordable end of market cost thus providing available alternatives to those caught in such circumstances.

Condition of Property

The condition of rental property with respect to health, safety and fire are regulated by the Rental Accommodation Regulations of the Public Health Act, and the Fire Prevention Act. This legislation is intended to protect the health and safety of tenants by specifying minimum requirements for fire prevention, space, ventilation, windows, heating, bathroom facilities, sewage, garbage, and protection from dampness and pests, etc. Complaints are made to the Division of Community Hygiene or the Fire Marshal/Inspector for investigation. The Rentalsman has had no authority in this area, but can request investigations based on complaints made to him. The reality is, however, that in spite of legislation and a process to correct inadequacies for recipient tenants, few satisfactorily resolve their concerns about accommodation standards by administrative or legal process. They are far more likely to move or continue living in unsafe, unsanitary or uncomfortable conditions. If they have other adequate, available and affordable alternatives, they are more likely to move or complain. If they believe they have no alternatives they are unlikely to rock the boat for fear of landlord reprisals, including eviction. The recently proclaimed Rental of Residential Property Act should facilitate the settlement of such disputes and restrict the reasons for which a landlord may evict a tenant.

Landlord - Tenant Relationships

During the period in which public meetings on welfare assistance were being held, public hearings were also being held by a legislative committee studying the proposed Rental of Residential Property Act. As a result, the public appropriately directed its landlord/tenant concerns to that committee. In response to those concerns government passed the Rental of Residential Property Act to replace the residential portion (Part V) of the Landlord and Tenant Act and the Rent Review Act. The new legislation would appear to have much more appropriate expectations on landlords and tenants, as well as speedier, more effective methods of settling landlord/tenant disputes without having to go to court. Specific features, both new and revised, include:

- appointment of a Director of Residential Rental Property, who in addition to other specific powers, may conduct hearings and make orders regarding the rights of landlords and tenants;
- statutory conditions which apply to all rental agreements, whether the agreement was in writing or not, including:
  - requirements that the landlord keep the property in repair; not discontinue any services paid by him such as heat, lights, water, etc.; not enter premises without 24 hours written notice; not change locks on the entry doors; allow "quiet enjoyment" of premises by the tenant;

  - requirements that the tenant maintain behavior not disruptive to other tenants; keep premises clean; repair any damage done by willful or neglectful acts; obtain consent of landlord before subletting; not change locks on entry doors; pay a one percent per month penalty for late rent; vacate premises when landlord has served a termination notice that complies with the Act;
- provision to enforce the agreement conditions;
- means for resolution of disputes over damage deposits;
- specific conditions for early termination for nonpayment of rent and other acceptable grounds for termination by the landlord;
- review of rent increases by the Director; and
- the establishment of "Rental Boards" in each county for the purpose of hearing landlord or tenant appeals resulting from decisions of the Director.

It would appear that with these changes, the mechanism is in place to effectively resolve landlord/tenant disputes without having to resort to civil court and its costly time-consuming process.

On the other hand, unless the Director of Residential Rental Property is given adequate staff resources the delay in investigating and resolving disputes will discourage complainants from asserting their lawful rights, whether landlord or tenant. We would encourage the Department to consult with the Director of Residential Rental Properties to assist with implementation of the new legislation with respect to welfare assistance recipients. In addition, to help recipients understand the new legislation and complaint resolution process, we recommend that:

Recommendation #15

Information on the Rental of Residential Property Act and Regulations, written in easy to understand language, be provided to all recipients in rental accommodation.

Availability

A contributing factor in the 1983 inspection results was the vacancy rate. At less than 2% in Summerside and less than 1% in Charlottetown, few alternatives were available. In addition it was estimated that approximately 10% of the 9,000 Islanders in rental units change accommodation annually, creating stiff competition for the few available units. Since 1983 there have been significant increases in the number of available units in Charlottetown and Summerside, as well as in the larger rural villages. Some of this can be attributed to efforts by Canada Mortgage and Housing Corporation (CMHC) and P.E.I. Housing Corporation due to directly or indirectly funding construction of low-rental units across the province. Also, the interest of non-profit community organizations in sponsoring housing projects for low-income people has contributed significantly to a better housing market. The majority of new rental units on the market however, are private and were developed in response to favorable supply and demand conditions.

The interplay among the three factors of availability, adequacy and affordability and the relationship of each individual preference does not make housing the poor an easy task. A housing market offering considerable choice is one with a relatively high number of vacancies, which in turn discourages new construction. On the other hand, a tight market serves the landlords best, but also encourages new construction of additional units. An ideal situation would seem to be one that had enough vacancies that persons in substandard units could move, leaving the worst accommodation vacant. Those landlords could then renovate, remove the units from the market, or lower the price enough to make them attractive to persons who would willingly accept the poor conditions to gain a financial advantage.

In spite of the improved housing market, families continue to find their choices very limited. For this reason the P.E.I. Housing Corporation directly, and CMHC indirectly construct rental units for low income families.

P.E.I. Housing Corporation

Subsidized housing funded by the Province provides low rental units for seniors and for families, with local housing boards responsible for the day to day operation of the units. Prospective tenants gain access to available units through an assessment process to determine the applicant most in need. While the screening process may be far from perfect, it does lend some objectivity to the task of determining who should be chosen from among the applicants. Local housing boards are only as good as their collective membership, however, and value and moral judgments often play too large a part in who gets screened in or out.

Prices of the subsidized units are certainly attractive to low income seniors and families, especially for modern well kept units. The rent is set at 25% of household income, with no maximum level. The effect of the policy is to encourage tenants with higher incomes to move to cheaper accommodation on the open market, leaving the unit for someone with a lower income.

With the decrease in size of the average family, the demand for housing has shifted from larger to smaller units. Since many of the units were built to accommodate larger families, the Housing Corporation has found it necessary to make interim policies so that two families may share an accommodation originally designed for one family. New family units will be constructed to meet the changed demand.

The actual physical location of the family housing units poses a number of problems. The Housing Corporation has moved away from the former practice of centralizing all rental units to one location in a town or village. That practice only seemed to create a low-income ghetto by grouping poor families with many young children, and encouraging a negative community response toward the tenants. The current practice is to construct smaller units in various areas of a city, town or village. In some communities, previous experience with low income family housing has created a generally hostile community toward housing the poor. Not all community residents would welcome a low cost housing unit next door. The problem is further complicated, in Charlottetown, for example, by land prices. Without a public transportation system it is important to locate low income family units near the necessary services and facilities, on higher priced land.

Current construction of family housing units near the airport in Sherwood will not be attractive to many low income families. Without transportation to businesses and services, they may accept a less adequate unit closer to the city core. It is rather disturbing to think that at a time when serious efforts are directed at a fixed link to New Brunswick, none seem to be directed at an adequate bus service for the Charlottetown area. Although it is beyond the scope of this review, we would encourage government to seriously address the issue of public transportation. In spite of the difficulties encountered, we support the practice of integrating low income housing throughout the entire community. The advantages are in a more natural relationship between low income housing tenants and other community members, leading to a broader acceptance and understanding through less isolation and labeling of the poor.

The general availability of family housing units is determined by demand, with the number of new units constructed based on the length of the waiting lists across the province. This procedure may be effective in constructing units for seniors who can often wait a considerable length of time in their own homes until a unit is available. However, it is less than ideal in meeting family housing demand, as the families waiting are forced to accept other alternatives to meet their immediate housing needs.This renders the waiting list less reliable as an indicator of the real need for family housing. In addition, the Housing Corporation does not publicize the rent subsidy program, but measures demand solely by the waiting list on the assumption that persons in need will know what is available and will place themselves on the waiting list. Given the mandate of the Housing Corporation to make available adequate and affordable housing to low and moderate income Islanders, we recommend that:

Recommendation #16

Greater priority be given to construction of family housing units based on the real needs of low income families,

Recommendation #17

Greater effort be given to compiling a current waiting list that is a true reflection of the housing need.

Canada Mortgage and Housing Corporation

CMHC has a social housing component with a variety of programs available to assist low income families obtain adequate and affordable housing. Working primarily through non-profit community organizations, CMHC makes subsidies available to reduce the cost of financing housing projects designed, at least in part, to meet the housing needs of low-income rentors.

CMHC funds are available for special purpose housing to meet the needs of a particular sub-group within the low income population. Shelters for battered women, manors for the elderly, and adolescent group homes are examples of special purpose housing. In this way, such sub-groups are not only provided with adequate, affordable shelter but are also more easily provided with treatment, counselling or rehabilitative services when they are in the one facility.

Social housing also addresses the needs of low income families through programs to make adequate, affordable housing options available in the private market to persons who would otherwise have to spend more than 30% of their income on basic shelter. One such program which CMHC hopes to have in operation in Prince Edward Island within the next year is the Rent Supplement Program. As the program operates in other provinces, it provides assistance to qualifying families to reduce their rent to a maximum of 25% of household income. This is provided by CMHC, or an approved agency, leasing units from private landlords. The agency selects the tenants and charges only 25% of income as rent. The balance is subsidized by CMHC.

A popular program is the non-profit Co-op Housing program consisting of 86 units, with 20-30 units to be added in 1988. Private Co-op boards are established to own and operate a housing facility. CMHC will subsidize the rents of a minimum of 15% and a maximum of 50% of the occupants who are below the "low income thresholds". Tenant co-op members agree to volunteer time and skills to operate and maintain the facility. While it can be argued that this program benefits the middle income families more so than low income families, it does help integrate the poor both in terms of shelter and in the day to day operational activities of their building. Individual members, however, do not gain ownership through this program. It is also likely that many of the most needy families are not being considered for occupancy. Instead, the co-ops advertise for tenants. In spite of this, it can be argued that the movement of middle income persons into co-ops leaves vacant other rental units for lower income families.

Affordability

Two factors contribute to the relative availability of affordable housing. The higher vacancy rate discussed earlier slows the natural rate of rent increases, as does the rent review legislation currently in effect. Although the legislation is far from ideal it does contribute significantly to the affordability of available accommodation and allows many families to remain in units that otherwise might become unaffordable. In this sense, the legislation contributes to family and financial security.

Welfare assistance recipients on Prince Edward Island are more fortunate than those in some other provinces when it comes to seeking affordable accommodation in the private housing market. Unlike those jurisdictions that provide a flat rate shelter allowance, Prince Edward Island recipients are allowed actual costs of rent and utilities to a maximum of ceiling amount. This means that the actual cost for fuel, electricity, water, and content insurance will be allowed in calculating eligibility. The majority of recipients in this province, unlike many in other provinces who have captured the attention of national media, are not forced to use food and clothing money to subsidize shelter costs. There are problems, however, for the 13.9% of owners and rentors whose shelter costs exceed the current ceilings.

In theory, a high vacancy rate and realistic shelter ceilings should produce an ideal situation where recipients have little difficulty finding adequate accommodation. In practice, welfare recipients are often frustrated by the limited number of choices available, and by shelter ceilings that are somewhat arbitrarily set. Recipients in rural areas in particular, often have little to choose from, and may be forced to remain in less than adequate conditions or move to something in excess of the shelter ceilings. Preference plays a role when a recipient with more than one unit to choose from opts for a clearly superior unit that costs a bit more. If that bit more exceeds the shelter ceiling, the difference must be made up from the FCHP allowance. For those not receiving an earnings exemption, the FCHP allotment is their only discretionary money.

Shelter ceilings are set for the province based on information provided by the regional office staff, consultation with the P.E.I. Housing Corporation, and on analysis of shelter cost information on current recipients. Two years ago in response to significant regional inconsistencies, there were two ceilings established, one for the Charlottetown urban area, and one for the rest of the province at 85% of that urban rate (Table 1). At that time, Summerside rent costs were not significantly higher than the rural areas.

Table 1 MAXIMUM TOTAL MONTHLY ALLOWANCE

NO. OF PERSONS IN HOME	CHARLOTTETOWN URBAN	ALL OTHER AREAS
1 person	$390	$330
2 persons	495	420
3 persons	575	490
4 persons	630	535
Each additional person to a maximum of 7 in total	25	20

Charlottetown "urban" areas, for the purpose of this policy, includes the communities of Sherwood, Parkdale, East Royalty, West Royalty, Southport, Bunbury, Crossroads, North River, Cornwall, Winsloe.

The situation now is that ceiling rates have not been adjusted since April 1, 1986, and rental rates have been increasing. Since the Rentalsman has allowed a marginal increase each year to adjust for inflation, it is reasonable to expect that anyone who was at the ceiling last year will now be over it, resulting in added financial stress. In addition, a survey of the actual rents charged for low to moderately priced units might provide better data on which to base fair ceilings. CMHC conducts a regular Rental Market Survey which may be of help, although it is based on the number of bedrooms required rather than the number of persons in the home. In view of the problems in determining and maintaining appropriate rates, we recommend that:

Recommendation #18

Future shelter ceilings be established in relation to actual cost of low to moderately priced units of acceptable standards and adjusted annually in accordance with the Rental of Residential Property Act.

In addressing the currently inadequate shelter ceilings we recommend that:

Recommendation #19

Current shelter ceilings be increased by an amount equal to the rent increases allowed by the Rentalsman since 1 April 1986.

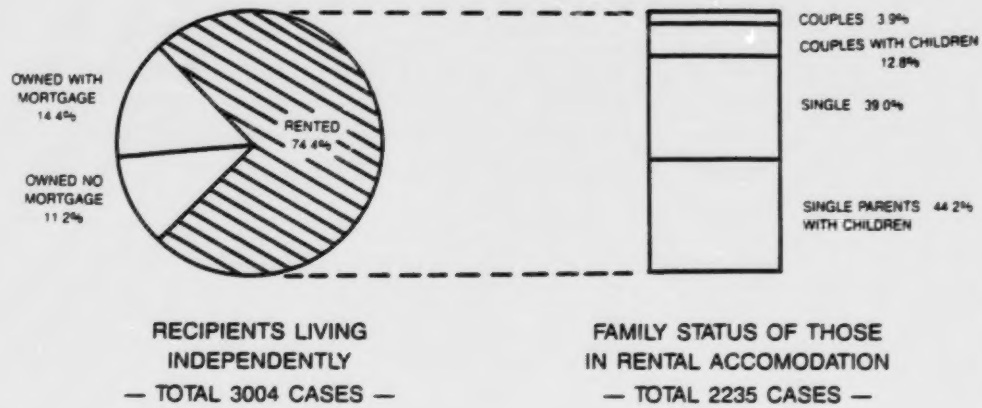
Owned Accommodation

A relatively small number of recipients own their own homes, although a significant portion of those that do are mortgage free. As a result, the bulk of the total shelter payments (77.6%) are spent on rental accommodations. (Diagram 6) The recipient gains no property for the money spent on his behalf, and the taxpayer pays an ever increasing rental cost. The landlord/owner gains the financial benefits as his asset increases in value over the years, and his mortgage payments shrink in comparison to the escalating rent charges.

DIAGRAM 6

RECIPIENTS LIVING INDEPENDENTLY

SHELTER TYPE AND RENTAL ACCOMMODATION BY FAMILY STATUS



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There are 769 recipients who own their own home. Of that number, 337 (43.8%) have no mortgage payments, and the remaining 432 have an average monthly payment of $274. The comparison of average costs to those in rental accommodation can be seen in Table 2.

Table 2 AVERAGE MONTHLY SHELTER EXPENSES

	# of Recipients	Average Monthly Payment	Average Monthly Cost of Utilities, Taxes, etc.	Average Monthly Total Cost
Owned by Recipient	769	156	193	349
No Mortgage	337	-	179	179
Mortgaged	432	274	207	481
Rented by Recipient	2235	348	68	416
Total Recipients Living Independently	3004	302	97	399

Although the average total shelter cost for recipients with a mortgage is slightly higher than the average cost for those in rentals, mortgage payments will show less dramatic incrases and will eventually cease. When the shelter costs for owners with no mortgage payment are included, their average total shelter costs drop to $349 per month, well below the average cost for recipients in rented accommodation. Helping recipients remain in their own homes makes good economic sense to both taxpayer and recipient. However, nothing is currently provided to help owners with preventive maintenance costs. In addition, repair and renovation programs are so limited that they are of little value to all but a few recipients and as their homes gradually deteriorate they may be forced to seek more costly rental accommodation.

Renovation and Repair

The Residential Rehabilitation Assistance Program (RRAP) has been in existence since 1975 on Prince Edward Island. During that time 11,828 homes have been renovated on the Island, adding a minimum of fifteen years to their life expectancy, and in most cases, much more. There is real value in the program, but due to the extensive renovations required in order to meet the standards set by CMHC, it is not utilized by many who are in need. Placing houses on foundations, insulating, installing running water, etc. is done to bring units up to the national building standards established by CMHC. These same standards that result in dramatic improvements to many homes present an obstacle to other owners who cannot afford the resulting mortgage and would be satisfied with a much more limited renovation. Unfortunately, the RRAP program can do nothing for these persons. The CMHC Emergency Repair Program is limited to repairs for health or safety reasons and is only available to those awaiting other programs.

The P.E.I. Housing Corporation has, for the past several years, advanced a proposal for a limited repair program. providing a subsidy of up to $2000 based on the applicant's income level. Only the program for senior citizen owners has been approved, however. A limited number of emergency repairs are authorized each year through welfare assistance from the special needs account. Not only must the need be serious, it must compete for funding with the special needs of other recipients. Almost all of these funds go to such items as new wells and pumps; replacing septic systems; furnaces and unsafe chimneys; usually after it is too late to do preventive repairs. In view of the obvious need identified by both the Department of Health and Social Services and the P.E.I. Housing Corporation, we recommend that:

Recommendation #20

Government implement a modest repair program similar to that proposed by the P.E.I. Housing Corporation to assist homeowners with repairs critical to continuing long-term occupancy.

Maintenance

Failure to maintain property causes deterioration which may result in health or safety risks, and eventual loss of the asset. Even limited maintenance on a home can ensure it is available as both shelter and financial security well into the future. In spite of this, no maintenance funds are provided to recipient homeowners to do routine upkeep. In addition to the physical and financial considerations, self-esteem is negatively affected when the recipient's house is not maintained at the same level as the home of his neighbor's. As we will discuss in a later section, self-esteem and confidence are extremely important factors in the pursuit of independence.

We commented earlier on the limited assistance available for essential repairs related to health and safety. We are also concerned with the need for routine maintenance that will prevent more extensive repairs at a later date. Interior floor and wall coverings; plumbing and electrical repairs or alterations; insulation; exterior repairs and refinishing are the types of things that require regular or annual attention. Most recipient homeowners would be able to provide the labor and require only the necessary materials. It seems unfair that welfare assistance is currently paying to maintain rental units owned by third parties, since maintenance costs are included in rental charges, when no similar maintenance benefit is being provided to homeowners. With the view that a good policy would help to maintain recipients in their own homes, we recommend that:

Recommendation #21

Recipient homeowners be granted a $25 allowance per month, payable once per year to cover the cost of minor repairs and preventive maintenance.

Facilitating Ownership

To date government housing policies appear to be discouraging home ownership by low income persons. Reasons given include the high cost of construction or renovation to CMHC standards, the cost of land, the belief that low income families will not care for their property, and the attitude that the poor should not gain property at the expense of other taxpayers. The fact that the number of recipient homeowners declined by 5.4% between 1981 and 1986 when the total number of homeowners on Prince Edward Island increased by 10.5% during the same period would seem to verify this situation.

Some taxpayers erroneously believe that they are being exploited by allowing recipients to become property owners. This belief loses credibility when we realize that those same shelter dollars are currently building up the financial equity of third party landlords. It would seem fitting that a portion of these funds be directed toward purchasing residential property, thus providing long-term financial and shelter security for low income families.

The belief that the poor will not care for their property is a generalization that offends the majority of low income families. We all know examples of families who allow their properties to deteriorate. However, the problem is at least partially due to financial resources. Families with moderate incomes who can afford materials, often do not keep up their properties when it requires their own labor and skills. Upkeep for higher income families is not generally a problem since they can afford both materials and labor. Social housing programs contribute to the myths by frequently selecting the least desirable candidates for the few home ownership (lease/purchase) opportunities that do exist. In choosing the candidates for home ownership, a selection committee may choose those who cannot otherwise obtain rental accommodation. Such families, often have had a past history of neglecting or damaging property and are probably the recipients least suited to the responsibility of home ownership. In other words, home ownership is often used as a last resort rather than a goal for rental recipients. Common sense would suggest that the most desirable candidates for home ownership should come from those with successful rental experiences. In view of this, we are confident that if the most suitable recipients were given the opportunity of home ownership, upkeep would not be an issue. This has been demonstrated in co-op home ownership programs where a person not prepared to care for his property will not voluntarily commit himself to the physical effort required during construction. There is no question that the pride of ownership contributes to confidence and a growing sense of independence.

The Committee was not able to do sufficient analysis to determine the long-term financial implication to the province of owning versus renting. It does seems logical, however, that the Department of Health and Social Services will spend less on owned shelter over the long-term than on rented shelter. Also, it may be more economically viable to help low income families purchase from existing housing stock than to build new homes to national building standards. It is possible, as well, that facilitating ownership may be more attractive when comparing costs to the current long term rent subsidy commitments. For example, if a low rental unit costs $700 per month to operate, and the tenant's income level requires them to pay $200 per month, a government subsidy of $500 per month is required. If that tenant is on assistance, the province pays the tenant's $200 rental charge, or a total government subsidy of $700 per month. Although over-simplified, these subsidies would provide considerable support in a home ownership program. Factors contributing to the feasibility of an ownership subsidy program include the cost of construction or renovation to CMHC standards, and the cost of land. Both factors may make some choices financially prohibitive, but that should not preclude the possibility of other acceptable alternatives.

Current welfare assistance policy is quite passive with respect to home ownership, neither encouraging nor discouraging it. Where recipients are able to arrange their own financing, mortgage payments can be included as a shelter expense, providing they do not put total shelter costs over the prescribed ceiling. A much more inhibiting factor for recipients is the downpayment required for purchase. Many recipients have excellent credit ratings and are able to obtain the mortgage approval only to be frustrated by the lack of a down payment. Options that could be considered include:

- allowing those recipients with land to use that as their down payment;
- providing a down payment as a second mortgage, which would be guaranteed by government, and paid as a part of the subsidy (similar to a rent subsidy);
- allowing one's labor or sweat equity, as the down payment to purchase and renovate an existing property; and
- providing job creation or employment enhancement opportunities for some recipients in home construction or renovation for prospective recipient homeowners, and at the same time accepting that labor effort as sweat equity for the recipient purchaser. This could be particularly beneficial to female single parents and disabled recipients.

We are confident that if staff at CMHC, the P.E.I Housing Corporation, Department of Health and Social Services and the private financial and construction sectors were to join in a serious effort to address low income housing, realistic alternatives to facilitate home ownership could be developed.

Federal/Provincial Cooperation

It is apparent from our study of available housing programs on Prince Edward Island that low income individuals and families would be better served through increased cooperation among the various agencies. The Department of Health and Social Services has done nothing of significance to promote or encourage better housing for recipients except to provide a reasonably flexible shelter policy. The objective of the P.E.I. Housing Corporation appears to be limited to rental accommodation for low income families. CMHC will only consider alternatives that fit rather tight national codes or guidelines, and seem to favor integration of low and middle income families through the co-op rental model.

The working relationship among the three organizations leaves much to be desired. The Department of Health and Social Services has no relationship to CMHC except to periodically exchange information and occasionally address policy issues pertaining to recipients in CMHC subsidized housing projects. The relationship between staff of the Department of Health and Social Services and P.E.I. Housing Corporation has improved during the past few years, but still seldom goes beyond consultation on policy or procedural issues of mutual interest such as the rate to be charged to recipients in projects subsidized by the P.E.I. Housing Corporation. At the field level, there is cooperation among staff of the two organizations as solutions are sought to specific recipient housing problems. Unfortunately, such cooperation varies according to the goodwill of the staff involved and does not guarantee that all recipients get good and consistent service in response to housing needs.

The relationship between CMHC and the P.E.I. Housing Corporation is more puzzling. In 1986 the Province declined signing a new federal/provincial agreement with CMHC, and is currently the only province without such an agreement. These agreements address such social housing issues as: recognition of mutual responsibilities to low income Canadians; cost-sharing splits; continuity of initiatives; efficient administration and removal of duplication; administration and delivery of specific programs by the Province; and commitment to ongoing consultation for efficient cooperation in social housing.

On the surface, Prince Edward Island does not appear to have lost any resources as the result of not having an agreement. Both parties have merely agreed that each will spend their share (75% federal and 25% provincial) on programs administered independently. As a result, both are providing social housing programs to persons with similar needs, yet with only limited consultation between parties. The reason for no agreement, is the P.E.I. Housing Corporation's perception that CMHC expects them to deliver programs with no voice in the development of either policy or program. This, from a provincial perspective, would commit the Province's 25% contribution to programs designed in Ottawa, based on the CMHC perspective of what is appropriate. Unfortunately, what is lost in not having an agreement is the day-to-day consultation and mutual planning/problem-solving that generates better housing alternatives for low income families. It is possible under this situation to have both CMHC and P.E.I. Housing Corporation working on low income housing options in the same geographic area. When this is discovered, one may withdraw, and not necessarily share all of the information they have about specific family needs in that area, or as mentioned earlier, a co-op project funded under CMHC may advertise for prospective tenants without any cross referencing with the P.E.I. Housing Corporation waiting lists.

Whether there is a formal federal/provincial agreement or not, greater cooperation and mutual problem-solving among the three organizations would undoubtedly result in improved policy and program alternatives. The high cost of new construction and the price of land are the primary reasons rental subsidies are so high. This would suggest that the subsidization of persons in existing private facilities could be a logical alternative. In view of this, we encourage CMHC, or the P.E.I. Housing Corporation to offer a rent supplement program, leasing privately owned units for low income families. With the number of low income residents moving on and off assistance, housing policies and programs must be well-integrated, requiring cooperation among these same organizations. The promotion of home ownership possibilities, a desirable direction in which to move, will also require the expertise of all three organizations. Thus, in the face of the significant housing problems facing low income Islanders, we recommend that:

Recommendation #22

A special initiative be taken by Government to bring together representatives of the P.E.I. Housing Corporation, Department of Health and Social Services, CMHC and any appropriate private sector organizations to plan for more effective policies and programs to serve the housing needs of low income residents of Prince Edward Island.

CHAPTER 6

FAMILY

The past several decades have seen significant changes in the traditional notion of family, that is: two parents, with children, surrounded by extended family members, and living and working in the same general community. No longer unusual are families consisting of a single parent or a common-law relationship. Families with children from the previous marriages of both parents are also more common. There has been a phenomenal increase in the number of families with both parents employed outside the home. Many couples postpone having their first child until financially secure. Families are having fewer children, and increasing numbers of these children are spending their preschool years in substitute care.

These changes experienced by the family structure are part of the overall changes in our society. Technological changes in transportation have led to increased mobility and less dependence on the extended family for support; changes in communication technologies have resulted in an information explosion that has created new expectations and patterns of behavior; the influence of the church in reinforcing traditional values has declined; marriage breakup is more socially acceptable; and changes have taken place in the traditional male and female roles.

While the changes themselves have created their own set of adjustment difficulties, the rapidity with which change has occurred over the last few decades has compounded problems. Parenting skills, values and customs of one generation often are considered to be out of date for the next. While there has always been some problem with the current generation's accepting the values and teachings of the previous one, it is doubtful that the challenges have ever been so great. Television and the accessibility of home movies alone, for example, provide varied and conflicting messages about adulthood, male and female roles, and parenting. The next generation of adults will live in an exciting but extremely challenging time.

In spite of the efforts of private family agencies such as the Catholic Family Services Bureau, the Protestant Family Services Bureau, and the Prince County Family Services Bureau and Community Mental Health teams, the participation rate in family and parenting programs is low. The Department of Education, through its new family life program initiative is attempting to respond to the need for education in areas that were previously the domain of family and church. It is obvious to us, that with the significant and rapid changes occurring in society, it will take the combined efforts of family, church, school and community to adequately equip our future generations.

Government and professional services, for the most part have been remedial rather than preventive, providing treatments or remedies after much of the damage has been done. Marriage problems are given legal solutions to custody and matrimonial property issues, emotional problems are medicated or given lengthy treatment programs, child abuse and neglect are given substitute care solutions, spousal abuse is dealt with by providing escape options for victims and criminal proceedings for abusers. All of these responses are necessary, but should not be the only alternatives available. Much earlier education and intervention would, over time, reduce the need for such drastic measures.

As a committee, we support the efforts of the private family agencies to offer community educational programs to interested persons; we support the family life initiatives of the Department of Education and the school units; and we support the efforts of various government departments to provide personal and family services to those in greatest need. However, we see a need for mutual preventive initiatives, with special emphasis on motivating persons to take advantage of preventive educational opportunities. We therefore recommend that:

Recommendation #23

The Department of Health and Social Services in cooperation with the other appropriate government departments and private family agencies develop new initiatives to help children and adults learn the skills that will strengthen family relationships and parenting abilities.

In spite of our problems as a society in adjusting to rapid change, the family is still considered to be the best environment for meeting the needs of its individual members, particularly its most vulnerable members. Children, the sick, disabled and elderly thrive best in a caring and supportive family atmosphere. For the balance of this chapter we will be considering only those families that include one or more children under the age of majority. Families caring for dependent adults are discussed in Chapter 8. Other types of families such as couples without children, and adults in a shared accommodation are not specifically addressed in this report.

Families With Dependent Children

In spite of the challenges, today's family is still the most appropriate place to nurture and develop a healthy, well-adjusted child; physically, emotionally and spiritually. It is well-adjusted children that have confidence and self-esteem. Furthermore it is confidence and self-esteem that play the greatest role in success and achievement later in life. Success and personal achievement will result in independence and control over one's life, rather than a life-long dependence resulting from an inability to relate constructively to the real world.

It is also apparent that the school system has taken on an increasingly more important role in the lives of children. The school offers an "instant" community, particularly for those children with no nearby extended family. For those families separated from the church, the school's role in raising children takes on even more significance. Schools, in their attempts to meet the individual learning needs of each child often get more than they bargained for, including emotional and psychological problems related to family stress or dysfunction. Obviously if families could be helped to function better, educators could concentrate more fully on building skills and confidence in children; essential ingredients for effective problem-solving later in life. Such issues are, for the most part, beyond the scope of this review. However, welfare assistance can play both a direct and indirect role in a family's ability to cope with daily life. Generally speaking, the more we can strengthen the family unit, the more we contribute to the success and personal achievement of the individual members.

Significant increases in family stress and conflict result when finances are not sufficient to cover basic needs. While it is true that some recipients poorly manage family finances, or make poor choices with discretionary funds (e.g. food), experience and evidence do not show that this occurs with any greater frequency with welfare recipients than it does with the general population. However, low income families living close to the line can least afford the consequences, having little or no margin for error.

Poor financial management regardless of the level of family income, often results in stress and conflict in the family. In situations where families have inadequate income to begin with, the most efficient management techniques will not remove the resulting stress and tensions. Inadequate assistance for basic needs creates its own set of family problems.

The general increase in benefits, proposed in Chapter 4 (Basic and Special Needs), and shelter improvements, proposed in Chapter 5 (Shelter), are ways in which stress can be relieved directly, by providing a more realistic and adequate allowance to cover the basic cost of daily living. Further, some of the changes to the way of delivering benefits proposed in Chapter 9 (Program Delivery) should help reduce the stigma that far too often accompanies welfare assistance.

School and Community

In addition to the need for improved conditions for children within the home environment, we must also address the needs of children outside the home. Children from our poorest families do not have equal opportunity to develop normally when they are not able to participate fully in the opportunities provided in their own schools and communities. When lack of money prevent them from participating in community sports, social, and cultural activities, any special skills or talents go unrecognized or undeveloped. They are being deprived of an important aspect of education.

Growing up feeling part of a larger community is important in the development of the child. Schools, churches, work and recreation all play a significant role in shaping a child's future. Generally speaking, a positive interaction between the child and his community will help him develop confidence and a strong self-image. There is much that can be learned from positive interaction with others, while isolation from the community will only serve to retard personal and social development.

Submissions by parents, teachers and regional office staff have agreed that children of poor families are not only provided with fewer basic school supplies, and little or no new clothing, they do not have the funds to allow them to participate in school and community activities. These children are already often stigmatized in the community because their parents are receiving welfare assistance, and are treated differently by some. At school, the welfare label is further reinforced when their clothing and supplies don't meet normal standards. The roles and expectations of these children are set early in life, and few are surprised when they do not participate in clubs, activities, sports and trips. The tragedy is that these children are denied the very opportunities that could make a difference in their lives. Travel, for example, can provide valuable educational opportunities, opening new horizons and often stimulating new motivation. Poor children are not only deprived of such experiences because their parents cannot travel, but miss school trips even when there may be only a small amount of money required to participate.

From observing and interacting with adults, we know that one of the factors related to a person's success in life is self-confidence. The process of gaining self-confidence goes on throughout our lives but is often greatly determined during the formative years of childhood. Each successful or positive experience contributes to a healthy self-image like building with blocks. It follows then, that encouragement of a special talent or interest will contribute to a healthy self-image, and in addition will aid in the development of a child's unique identity. This uniqueness and healthy self-image is certain to result in greater personal achievement and success later in life. We refer to such talents or interests as art, music, athletic pursuits or community service.

To facilitate the positive participation by the children of recipient families in community and school activities, we recommend that:

Recommendation #24

The annual school allowance be increased to $75 for children 6-11 years old and $100 for children 12 and over who are attending public school.

Recommendation #25

An annual maximum child development allowance of $200 per child per year be available as an item of special need to allow families to meet the cost of special cultural, athletic, artistic or social programs for their children.

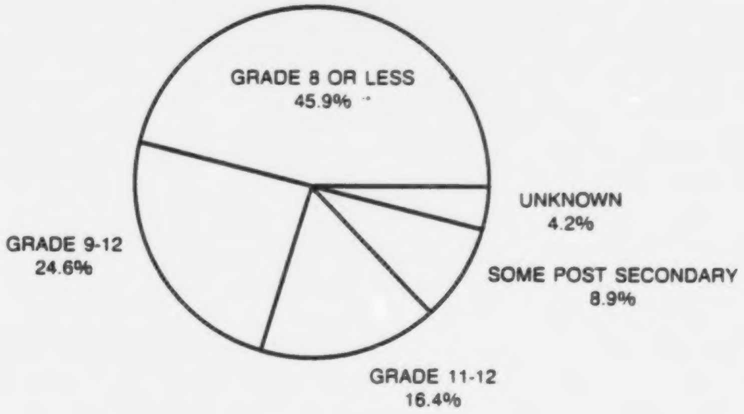
Adolescent Drop-Outs

By today's standard, young persons who leave school before completing all or part of a high school education are more likely to be part of the next generation of welfare recipients. As can be seen in Diagram 7, 45.9% of current recipients have a grade 8 or less education. A low level of schooling usually limits the prospects for future employment, thus increasing the possibility of future dependence on assistance. Furthermore, it has been established that early school drop-outs are also more likely to come from low income families, thus continuing the welfare cycle from one generation to the next.

The School Act on Prince Edward Island requires attendance until the 16th birthday. In spite of this, many drop out earlier and because there are no penalties contained in the Act, there is little direct action that can be taken. The Family and Child Services Act does not define non-attendance as evidence of neglect, although it may allow investigation of circumstances surrounding interruption in education. Some families and drop-outs respond to efforts by the school unit or the regional office and constructive efforts result in the return of a few drop-outs to school. However, it is equally likely that a given family will not receive proper attention from either school staff or regional office staff. In some cases, only minimal efforts are made by schools to contact families when a child stops attending. The Department of Health and Social Services staff on the other hand often refuse or are generally unresponsive to referrals, either because they are seen as a school unit problem or because of the excessive workload of more serious protection cases. Those problems have been addressed, and joint efforts by both school units and regional offices have produced better results. However, the inconsistent implementation of policies and practices from one region/unit to another is still a problem. With respect to programming, we are encouraged by the attempts of some units to provide alternate educational opportunities as a way to prevent dropping-out, or to encourage the return of drop-outs. We therefore recommend that:

DIAGRAM 7

CASELOAD BY EDUCATION OF HEAD OF HOUSEHOLD



JANUARY 1989

— TOTAL CASELOAD 4269 —

Recommendation #26

The Department of Health and Social Services and the Department of Education jointly develop a strategy of prevention and early intervention in the problem of children prematurely leaving school, and of providing other educational options to those unable to be served by existing programs.

Young Single Mothers

The circumstance of the young single mother is even more tragic than that of the school drop-out. Not only does she have the added pressure of an unwanted pregnancy, she feels compelled to drop out of school. Most difficult of all, she has the responsibility of raising a child while she is still a child herself. In the already difficult period of adolescence, some single mothers receive little or no support from her parents or the father of the child. It is encouraging that so many of them cope as well as they do.

Services for young single mothers should receive higher priority considering what is at stake. For the most part young single mothers receiving assistance are from low income families and they have fewer alternatives. Higher income families can afford to keep mother and child at home without assistance, or may pay for accommodations elsewhere. Many will give financial help to make it possible for their daughter to pursue her educational and career interests. Since there is a lack of such alternatives for low income families, many young single mothers on assistance are likely to remain on assistance for a considerable number of years. For some the dependency becomes so strong that even marriage is less likely to be considered if it means forfeiting that regular monthly cheque for what may be a financially uncertain future. Welfare assistance dependency frequently becomes her way of life, and perhaps that of her child. Some other young single mothers prefer employment, placing their children in substitute care. If a mother does not find a competent caretaker, or cannot afford one, her child may suffer in emotional and psychological development.

Currently a few young single mothers do receive services and assistance to help make appropriate decisions and pursue future plans. These are limited to the few who come to the attention of child welfare staff or the staff of the private family agencies. Many of those who do not receive services are daughters of families already on assistance. The welfare assistance worker may provide a pregnancy allowance, to meet the added nutritional requirements, and add in the extra FCHP benefit when the child is born. However, if the family does not indicate any other concerns, it is quite possible their daughter will never come to the attention of staff who could provide personalized counselling. By not addressing these needs, the system is failing to recognize that these young single mothers are responsible for a significant number of our next generation, and often themselves do not realize how ill-equipped they are to parent. In view of this, we recommend that:

Recommendation #27

The Department of Health and Social Services identify the needs of young single mothers and give a special priority to develop programs and policies to meet those needs.

On a matter of more specific concern, there currently exists a welfare assistance policy that does not allow young mothers under 20 years of age to establish a home of their own. While one can argue that such a policy discriminates on the basis of age, it might also be argued that it is actually designed to meet more of the young mother's needs by ensuring that there are others in the home to monitor, support or relieve her in the responsibilities of parenting. When such help if not available, both parent and child are more at risk. A young single mother who is denied the opportunity to live on her own while receiving welfare assistance has several other options in that:

- she may live with her own parents, and receive FCHP for herself and her child, but no shelter allowance. (If she is under 18, she will only be eligible if the family qualifies for assistance.);
- she may live with immediate relatives, and receive FCHP for herself and her child plus $100 per month shelter allowance; or
- she may live in room and board with some other member of the community, at the regular room and board rate ($350 + $34 clothing and personal) plus FCHP for the child ($112/mo.)

Current policy requires that when requested, staff assist young mothers to find the most suitable option.

In all of the above examples, the benefits are directed at basic food, clothing, personal and with the exception of those living with parents, shelter needs. There is no provision to compensate persons who may be able to provide support, guidance or teaching required by some young single mothers. Such support is essential if they are to learn the parenting role while at the same time learning to become an adult.

It would seem to make good sense to have child welfare staff routinely help the young single mother find a suitable residence if required. Staff should also assess her needs for personal growth and parenting training, and purchase that training from the person with whom she resides or from another competent person. In some instances, training and support may include basic tasks such as care and feeding of the infant; learning ways to cope with anger and frustration toward the child; or helping the young single mother to become re-integrated with the larger community. To support such activities, we recommend that:

Recommendation #28

A special supervision and training allowance to a maximum of $150 per month be available to persons who contract to provide specific services enabling young single mothers on assistance to develop parenting and homemaking skills.

Single Parents

Single parents currently represent 29.6% of cases on assistance, and in addition to those never married, includes those widowed, divorced and separated. Including their children, they represent 40.9% of all persons on assistance. In addition, there is a large number of working single parents who are but a small financial step away from assistance, and may in fact receive assistance from time to time as their economic circumstances vary. Obviously these single parents on or near welfare assistance income levels have responsibility for a significant number of our next generation. It seems self-destructive as a society to ignore their needs or to maintain them at such a level that they cannot get ahead of day-to-day survival. It cannot be definitively stated that children are better off at home with their mother, or that they are better off if their mothers are working. Each situation is unique, and depending on a large number of factors, either could be true for a particular family. The important point to acknowledge is that these differences do exist, and in response, to offer employment opportunities or services and benefits that allow single parents to grow and develop in a manner that is constructive to themselves and their children. Unlike a few other provinces, welfare assistance policy on Prince Edward Island does not clearly identify a preference for working or stay-at-home mothers, thus allowing both options. However, the lack of a specific policy statement does leave practice open to a welfare assistance worker's own value judgment in this regard. In view of this, it is not surprising that some single parents are made to feel guilty about going to work, while others are made to feel guilty about staying at home and very often neither are given any real help or support in their choice.

The federal/provincial initiatives on training and employment for recipients have been a positive development for single parents on assistance, many of whom began as the young single mothers discussed earlier. This program will be more fully discussed in Chapter 7 (Employment). Single parents have generally been highly motivated candidates in these new efforts to provide training and employment opportunities for recipients. The recommendations in Chapter 7 will further address the concerns of single parents attempting to be free of welfare assistance. In addition, recommendations in Chapter 4 (Basic Needs) and earlier in this chapter (child development allowance) will ease some of the current stress, thus allowing single parents to put more of their energies into constructive parenting or self-help pursuits.

Considerable support is often needed by single parents struggling to cope with the day-to-day responsibilities of raising one or more children. This is particularly true if the situation is complicated by a marriage breakup. All single parents, not just young single mothers, need support in caring for and raising children while at the same time trying to grow and develop as persons. Very often the personal growth and achievement of the parent becomes secondary to the parenting responsibility. There needs to be an array of supports that begin at home with parent and child, and eventually lead to independence as the parent becomes increasingly able to cope and turn attention to employment or other goals. It is extremely important that single parents on assistance have access to counselling services that are sensitive to their specific problems and aspirations. Furthermore, to effect long-term results, such counselling service must be available to some single parents over an extended period of time.

The Department of Health and Social Services has in recent years been offering life skills programming to some recipients, many of whom are single parents. These programs are designed to teach recipients how to cope more successfully with their current situations and develop skills necessary to pursue future goals. The goal of building self-esteem and confidence is achieved by helping recipients develop communication and problem-solving skills that will help them in homemaking, parenting and training or employment. These programs appear to have produced dramatic results in the growth of the participants' self-confidence and motivation. Many of these participants are recipients whose problem-solving capabilities and life skills were too limited for any type of entry to previous employment or employment training.

It is not difficult to understand that if staff resources are limited, the Department will give first priority to the services they are obliged by legislation to deliver, such as child protection and welfare assistance. However, it is short-sighted not to see the preventive value in providing better support services and learning opportunities to single parents. If there is uncertainty about the real value of assigning staff resources to such services, perhaps the province should seek federal assistance to pilot or demonstrate and evaluate a serious effort in this regard. It would also seem advantageous to promote or develop private agency programs, or joint efforts directed toward single parents. Possibilities include small group supports, life skills programs for single parents, and opportunities to encourage self-help among single parent recipients. In this context, we recommend that:

Recommendation #29

The Department of Health and Social Services initiate measures to promote or develop personal growth and support opportunities designed to assist single parents with the development of life skills, and in particular those skills that will enhance parenting abilities.

CHAPTER 7

EMPLOYMENT

Generally speaking, recipients face a significant number of hurdles in seeking, obtaining and retaining employment. In tracing the process and needs of a person in pursuit of employment, we can develop a checklist of barriers they might encounter and supports that could be required:

- decides or agrees to seek work...may need employment support services such as encouragement, employment counselling, and problem-solving assistance, upgrading, skill training, and/or work experience;
- participates in training or obtains work...may need child care, transportation, clothing, license/tools/fees, or work aids if disabled;
- first paycheck may not be for several weeks...requiring a transition amount to cover food and shelter until first paycheck received;
- job paying same or slightly more than assistance, resulting in termination and loss of health-related benefits...may need future assistance to cover eyeglasses, dental, drugs;
- continues to work in spite of little or no financial gain...needs an earnings exemption to put extra should have extra money in pocket;
- termination of employment...may need easy and quick access to reinstatement of benefits.

The current Welfare Assistance program appears to provide little support or encouragement to the recipient's own efforts to become employed. The problem is compounded for those recipients who have difficulty with attitude or motivation. Those who do manage to achieve full independence from welfare assistance usually require little support, have few barriers, and are fortunate enough to find jobs paying wages that are higher than their welfare assistance cheques.

Through our discussions with recipients and welfare assistance staff, we are told that most welfare assistance recipients not only want to work but will quickly take advantage of work opportunities when reasonable attempts are made to support their efforts. In fact, many recipients will suffer other hardships (financial, emotional, physical) to take advantage of a work opportunity.

Success for many is synonymous with freedom from welfare assistance, and in this regard even a part-time or seasonal income moves them closer to independence and increases immeasurably their self-worth. Even the opportunity to work enough to draw Unemployment Insurance benefits is prized by some, as it puts them in the same working class as many of their friends and neighbors who are also seasonally employed.

Welfare Assistance Benefits as Incentives

There is no doubt that one of the greatest expressions of concern at the public meetings and in submitted briefs, was for the establishment of welfare assistance policy and benefits that would encourage and support efforts to gain employment. Recipients, staff, and other community agencies all decried welfare assistance policy that facilitates dependence rather than independence. We understand that similar complaints are voiced in every province of the country.

Employable recipients in Prince Edward Island have benefited from some program changes during the past year. Also, they have not had some of the same policy disincentives that face recipients in other provinces. However, when comparing the specific earnings exemption policy, Island recipients are among those in Canada who financially gain the least from working.

Costs of Going to Work

The costs associated with leaving home and joining the work force may include: child care, transportation, clothing, work related materials, and special aids for disabled persons.

Child Care

The most significant child care barrier is finding a competent and available substitute when the single parent or both parents are working. This search is not seen as a responsibility of Welfare Assistance. Costs of child care do not seem to present a barrier as support is available through the Department's Day Care Subsidy Program when space can be found in "licensed" centers. Where this is not possible, welfare assistance policy allows a babysitting expense in calculating eligibility.

Transportation

Current policy would seem to be generally adequate in assisting with the costs of travelling to and from work. Recipients may receive 13.5 cents/km, to a maximum of $25/week, when they are using their own vehicle. A higher maximum can be approved by supervisors in circumstances where long distance travel is required and the value of the work opportunity merits the extra expense.

One of the points raised in the public meetings was that the mileage rate for government employees was different than that of the recipients. The argument that recipients should receive the same mileage rate as government employees is not a reasonable expectation. Employees actually receive no compensation for travel to and from work. The compensation that employees receive is solely for travel on the job. If recipients are required to travel on the job, that expense would be the employer's responsibility.

Work Related Items

Current Regulations allow for a maximum of $100 to provide items necessary for the commencement of employment such as "special clothing, mandatory licenses, fees or permits and essential tools". Employable persons in receipt of short-term assistance cannot save for the initial expenses of starting a job, because Regulations only exempt $50 in cash assets. Available funds in excess of that amount must be used for daily living costs. Long-term recipients, while allowed a higher asset level, are unlikely to have been able to accumulate savings while on assistance. In view of this, we recommend that:

Recommendation #30

The maximum discretionary allowance for expenses incidental to commencing new employment be raised to $200 once per fiscal year, and extended also to those commencing training.

Work Aids for the Disabled

There are a variety of programs providing assistance with work related aids for employable disabled persons. The Employment Enhancement Program (EEP) and the Vocational Rehabilitation of Disabled Persons (VRDP) program of the Department of Health and Social Services; the Canadian Job Strategy (CJS) programs of Canada Employment and Immigration; and welfare assistance special needs provisions all provide some assistance to disabled persons joining the labor force. However, these benefits are often not identified nor easily understood by recipients and welfare assistance workers, requiring the availability of specialized employment resource staff to facilitate the efforts by disabled persons.

Awaiting the First Cheque

One of the biggest hurdles for a recipient who does obtain a training or employment opportunity is how to manage until the first cheque is received. Depending on when employment commences, a recipient may wait several weeks between the time he would have received his next assistance cheque had he not gone to work, and when he receives his first paycheque. In the meantime, expenses related to shelter, utilities and food are ongoing. To delay paying shelter costs only puts persons in an arrears situation from which recovery is difficult. Current welfare assistance policy does allow for a transition allowance which in effect ensures that the recipient's benefits will continue to cover his expenses until he actually receives that first cheque. The benefit is necessarily administered with discretion as the needs in each case are quite different depending on date expenses come due, and the date the first paycheque is expected. Practice expectations should be incorporated in the policy manual to ensure regional consistency in implementation.

Loss of Benefits

One of the disincentives to recipients in seeking employment is the prospect of losing health related benefits. This is a problem in some provinces where medical, dental, optical and drug coverage is available only after qualifying for assistance. Accepting employment in those provinces means recipients must assume the costs of these necessary expenses,often out of a wage that pays little more than welfare assistance. For those with dependents such a prospect can have a significant effect on their enthusiasm for employment.

Recipients on Prince Edward Island are less vulnerable to such expenses due to the way Medicare and welfare assistance benefits are structured and eligibility is established. There are no premiums for medical coverage to residents of this province. This means that recipients have no additional medical costs when they stop receiving assistance. Other health related costs such as optical, dental and drugs can be included when calculating eligibility for supplementary assistance. With this provision a former recipient may re-qualify for at least a portion of that special need depending on his employment income level. This assumes that the applicant cannot be reasonably expected to spread the cost over time and manage without assistance. Thus, the "former" recipient is in no worse financial position than if he had continued to receive assistance.

Requalifying

Prince Edward Island, like some other provinces, differentiates between short-term and long-term beneficiaries. As indicated in chapter 4, recipients in this province are not eligible to receive a monthly clothing allowance until the fourth consecutive month on assistance. In some circumstances this difference may act as a disincentive to persons considering short-term employment.

For example, a recipient who accepted employment at a wage that exceeded her allowable expenses would be terminated from assistance. If her employment terminated four months later and she was forced to re-apply for assistance, she and her family would not receive a clothing allowance for the first three months that they were receiving assistance. Given the nature of employment on Prince Edward Island, this amounts to a financial penalty for those willing to accept seasonal or short-term jobs. This issue has been addressed in chapter 4 with a recommendation that the clothing allowance be provided from the date that eligibility for assistance is established.

Earnings Exemption

Recipients who obtain jobs paying more than welfare assistance can gain financially by going to work if the difference is sufficient to more than cover the extra costs associated with working (e.g. transportation, child care and work related items). Unfortunately for those with large families, the combination of high family expenses and low wages would mean less real income than when on welfare assistance. Welfare Assistance can supplement the wages of persons in such a position, thus ensuring they will be no worse off financially than if they had remained on assistance.

As stated earlier, most employable persons consider themselves better off working from a mental/emotional/social perspective than not working. It also seems only logical that they should also be better off working, from a financial perspective. The only way a recipient with high expenses/low wages can be better off financially is if the earned money in their pocket is not entirely offset by an equal reduction in his assistance.

To illustrate, a recipient family with allowable expenses of $900 per month and no income would receive $900 per month in assistance (see table 3, example a). If the head of household found a job paying $900 per month he would lose his entitlement to assistance (see table 3, example b). In other words, he has gained nothing financially by working full-time. On the other hand, allowing him to keep a portion (earnings exemption), $200 per month in this example, means he has gained that much financially by working. This would mean that for the purpose of establishing eligibility only $700 of his employment income would be considered, leaving a budget deficit of $200 per month (see table 3, example c). He would then be entitled to receive $200 as a supplement to his $900 income, for a total of $1100 per month or $200 more than when he was not working.

Table 3

EFFECT OF EARNINGS EXEMPTION ON WELFARE ASSISTANCE ENTITLEMENT

			Amount of Assistance Granted
(a) Unemployed			
Expenses (food, clothing, shelter, etc.)		$900/mo.	
Income		0	
Budget Deficit		$900/mo.	$900/mo.
(b) Employed (no earnings exemption)			
Expenses		$900/mo.	
Income		-$900/mo.	
Budget Deficit		0	0
(c) Employed (with earnings exemption)			
Expenses		$900/mo.	
Employment Income	$900		
Earnings Exemption	-$200		
Actual Income Considered	$700	-$700/mo.	
Budget Deficit	$700	$200/mo.	$200

Prince Edward Island currently offers an earnings exemption of 20% of earned income, but it has so many other restrictions that it does little to encourage recipients to either seek employment or to keep working at a low paying job. In fact, it is one of the most restrictive wage exemption policies in Canada. Specifically, it is available only to persons who have had no attachment to the labor force in the past 12 months. It is time-limited to a 20% exemption for six months and a 10% exemption for a further six months. The result of these limitations is that only 27% of current recipients with earnings are eligible for the exemption. Furthermore, after one year the exemption benefit is terminated, leaving the recipient no better off financially by working. In addition to offering no financial incentive to 73% of working recipients, this policy no doubt also contributes to some dishonesty in the reporting of earned income.

There is broad acceptance that an earnings exemption is a desirable way in which to encourage employment; the major questions to be resolved are related to eligibility for the exemption and adequacy of the benefit.

Adequacy

Exemption benefits may be structured on a percentage of earnings, or on a percentage of the assistance that a person was receiving before becoming employed. The former favors those in higher paying jobs, the latter favors those with family expenses that exceed earnings. While there are arguments favoring both approaches, the Committee favored a *percentage of earnings* exemption that would encourage the pursuit of higher incomes. At the same time they felt very strongly that there should be a minimum amount available for low income persons. The proposed structure, then, is a combination benefit that would provide either of a flat rate or a percentage of earnings, whichever is the greater.

The actual amount of the benefit was the subject of considerable analysis and technical discussions, complicated by the Canada Assistance Plan guideline which has a maximum of 25% of the assistance received before going to work. In the end, the Committee felt the CAP guidelines was a reasonable and affordable upper limit. Analysis revealed that a 20% of earnings exemption would approximately equal a 25% of assistance exemption, at all income and assistance levels, and therefore be cost-shareable in total. (Table 3) Naturally, when a recipient's income exceeds a certain amount he will no longer be eligible for assistance even with the earnings exemption as part of the calculation. At that point he is completely independent of welfare assistance. The Committee recommends that:

Recommendation #31

In calculating eligibility for assistance, an exemption of 100% of earned income to a maximum of $95 per month (single) and $190 per month (family) or 20% of earned income, whichever is greater, be allowed.

Eligibility

Entry

One of the purposes of an earnings exemption is to encourage low income earners to keep their jobs. If a person working for low wages has family expenses that exceed his wage, his income can be supplemented. This would bring his total income up to the level of someone with comparable expenses on full assistance. Obviously, if the same income can be obtained by not working, it may encourage some persons to leave their low-paying jobs and collect full assistance.

The earnings exemption can be used to reverse this situation and provide an incentive to keep a low-paying job, but only if it is available on application when assessing financial need. Using the earlier example of an applicant with $900 expenses and $900 income, a $200 earnings exemption would in effect provide $200/mo. extra cash in his pocket, as an incentive to retain his job. This in turn saves the system the additional $700 per month that would have to be paid if he quit working.

Exit

For essentially the same reasons as outlined above, the earnings exemption cannot be time-limited. Terminating the exemption after a set time period, as is currently done on Prince Edward Island, places the recipient back in the position of working full-time for no extra money. Quite apart from our belief that recipients who work should benefit financially, there are extra and ongoing costs when working that will not be covered by welfare assistance even if eligibility is maintained. The lifestyle of a person often changes when employed and associated with other employed persons. These changes result in additional costs for clothing, food, and new forms of community participation. In response to these ongoing needs, the Committee recommends that:

Recommendation #32

Eligibility for the earnings exemption include both applicants and recipients, and it be available without time-limit for the purpose of calculating continuing eligibility.

Cost Implications

The total cost of providing an earnings exemptions obviously depends on the level of benefit and the number of persons who qualify. Costs can be cut by limiting either. To do so, however, would be self-defeating. The more we can encourage steps toward independence the more everyone benefits; recipient, family, and community. Even part-time work and low-paying jobs mean a measure of independence that does not exist if someone is receiving full assistance. The psychological benefits of working along with extra money-in-the-pocket, builds self-confidence. That may in turn lead to complete freedom from assistance. Extending an adequate earnings exemption to both applicants and recipients without time limit is an investment, rather than a cost. In situations where the earnings exemption encourages recipients to continue working, or to seek employment opportunities, the cost of the exemption is more than offset by the decrease in assistance payments resulting from the employment income.

Enhancing Employment Potential

Anyone who has ever sought employment, knows the meaning of *opportunity* and *competition*. The two are directly related. The fewer the opportunities, the tougher the competition. For those at a competitive disadvantage, finding work can be difficult even in a good job market. Welfare recipients in general are at a competitive disadvantage and have more or less difficulty overcoming the employment barriers they face.

Barriers to Employment

As can be noted in Table 4 the number of recipients considered employable may vary from 1398 to 1779 depending on one's definition of employable. The more limiting definition of employable recipients includes only those considered job-ready (low support needs) and those, who with some training, counselling, and work experience opportunities, could become job-ready (moderate support needs). A more expanded definition would include those requiring extensive and long-term employment support programming (high support needs). Certainly those recipients with high employment potential can be expected to find employment with limited help. However, a recipient with major barriers to employment would require a much higher level of support to eventually become employed.

Table 4

EMPLOYMENT STATUS OF HEADS OF HOUSEHOLD JAN. 1989

Employed			
- full time		307	
- part time		153	
- self		54	
- seasonal		439	
Permanently exempt from seeking work (1)		1498	
Temporarily exempt from seeking work (2)		830	
Available for work	1398		
- low support needs		304	1779
- moderate support needs		264	
- high support needs		381	

(1) includes persons considered unemployed due to such factors or combination of factors such as: poor health, disability, no marketable skills, location, age

(2) may include persons: with temporary illness or disability, with significant adult or child care responsibilities, or in employment related training

Barriers to employment can be of personal or situational nature, or related to the broader work environment. Some examples of personal barriers include life skills, education, job skills, disability, attitude and motivation; while some examples of situational barriers include family functioning, child care needs, and location/transportation. Other barriers can be environmental and may include specific job opportunities, general state of the economy and employer attitude toward welfare assistance recipients.

In addition, recipients may also be frustrated by welfare assistance policies that appear to discourage rather than encourage employment. For some people, any one of these barriers might mean the difference in finding work or not. Experience has shown that most recipients face multiple barriers to employment and, indeed, some face them all. Experience has also shown that many of these barriers can be overcome. Severely mentally and physically disabled persons previously considered unemployable can now be employed. No longer considered insurmountable are illiteracy, low self-confidence, limited job skills, poor life skills and low motivation.

Unemployed recipients with such employment barriers require both support and opportunity if they are to succeed in finding lasting employment. In fact, they may need several training and employment opportunities, some of which are clearly only steps toward the ultimate goal of sustained employment.

Employment Supports

One of the major reasons why many recipients have had difficulty becoming employed is the lack of support services specifically oriented to their individual needs. The majority of employment services have traditionally been employer oriented, concentrating on assessing the most suitable candidate to meet an employer's specific needs. Very few have concentrated on helping the recipient develop his potential for employment. Where training courses were available they were usually filled by unemployed persons with fewer barriers. Recipients with low self-esteem and/or multiple barriers would not even try for the opportunities. Generally speaking, recipients who face employment barriers require the support and assistance of an employment specialist, opportunities to gain training and work experience, and then long-term employment possibilities.

Employment Specialists

Considering the multiple barriers faced by many recipients, the first level of support needed is the help and encouragement of staff specialized in employment counselling and employment programming. Many recipients, for example, need help assessing their employment potential and identifying an employment goal. They need encouragement and they need opportunities to develop life skills, to become literate, and to upgrade academic grade levels. They also need job skills and opportunities to gain work experience. However, recipients with multiple barriers cannot put the pieces together which are necessary to gain long-term employment success without the help of capable, skilled and caring employment resource staff.

In December 1987, during the process of this review, the Department of Health and Social Services hired six employment resource workers to implement the federal/provincial employment enhancement agreement described on page 78. Over 1500 recipients were referred to these specialists by welfare assistance workers, or referred themselves as soon as they knew the staff were available. Some recipients required more support and counselling than did others. The employment resource workers referred recipients to outside opportunities for training or work where available. They organized training courses and subsidized work experiences where there was nothing in the community to meet the needs of individual recipients. The results of their efforts have been dramatic. Over 400 recipients were placed in a variety of training programs that included life skills, literacy skills, academic upgrading and business skills. In addition 245 recipients were placed in subsidized work experiences. To date 153 recipients are no longer receiving welfare assistance and many more are now only receiving a subsidy to their employment income. It is far too early to assess the long-term benefits of investing in training and upgrading for recipients but the initial results are very encouraging.

The effect of this initiative on recipient motivation and enthusiasm has been rather overwhelming, and the employment resource workers are the key ingredients, as acknowledged by both staff and clients. The success can be more specifically attributed to their enthusiasm and concern for the needs of the recipient. In addition to the assessment, the goal setting and the supportive counselling provided, these workers actively pursue opportunities that are most suitable for each recipient. Follow up and additional training or work experience may also be provided.

We are aware that these employment resource workers are employed temporarily to the end of the current fiscal year to coincide with termination of the federal/provincial agreement on March 31, 1989. In view of the importance of their roles, the value of having skilled and experienced persons in these positions, and as evidence of the government's commitment to helping recipients achieve independence, we recommend that:

Recommendation #33

The employment resource worker positions be made permanent.

Employment Programming

Many recipients with employment potential will not be able to realize that potential without opportunities to reduce or eliminate their own barriers to employment. During times of economic growth, when jobs are more plentiful, recipients who have not acquired the appropriate skills and experience will be ill-equipped to take advantage of the new opportunities. Even in a slow economy with few job opportunities, enhancing the employment potential of recipients makes sense. When candidates for jobs are better educated, more skilled or more experienced, the employer and the consumer gain through increased productivity or improved service. Enhancing employment potential has the greatest pay-off for the recipient himself. His personal growth and increasing self-confidence move him closer to the possibilities of permanent, meaningful work at a reasonable wage.

In the fall of 1987, the Prince Edward Island Minister of Health and Social Services, and the Ministry of the Department of Industry joined the Federal Minister of Health and Welfare, and the Federal Minister of Employment and Immigration in addressing the problem of enhancing the employment potential of persons on social assistance. Historically, recipients have not received their fair share of federal employment services, as they found it difficult to compete for staff time and program spots with the more literate, experienced, and confident members of the community. Many were so intimidated or discouraged that they would not seek or take advantage of the available services. As a result, with the exception of a few special counsellors federal manpower personnel were not able to develop the skills or even the understanding as to what kind of supports would be effective to such disadvantaged persons. Although welfare assistance workers were more knowledgeable concerning the circumstances and needs of recipients, their welfare assistance workloads did not allow time to specialize in employment supports. Also, suitable programming was not generally available. This may have been due in part to the fact that tuition, training allowances, or wages are not shareable under the Canada Assistance Plan. The Agreement "to Enhance the Employability of Social Assistance Recipients" (SAR Agreement) helped to open the door and encourage provincial involvement by indirectly sharing in the cost of the new employment initiatives.

The Canada/Prince Edward Island Agreement, similar to that with other provinces, consists of seven components, two of these are of direct significance to recipients:

- That welfare assistance recipients will be guaranteed 20% of the opportunities available through the Canadian Job Strategy programs of Canada Employment and Immigration. This was an acknowledgment that welfare recipients were not previously receiving their fair share of federal employment programming.
- That National Health and Welfare and Prince Edward Island will each contribute an equal amount of funds ($2,000,000 total) during the course of the Agreement, to be spent on employment programming for recipients. That fund was to be spent 60% by Prince Edward Island to provide training and work experience opportunities, and 40% by Canada through increased Canadian Job Strategy programming exclusively for welfare assistance recipients.

While this arrangement is not a direct cost-sharing of provincial expenditures, it does have a similar effect. The federal portion goes to CEIC rather than the Province, resulting in approximately an equal number of recipients served by both governments. In other words, the Province pays one-half of the total programming costs. As stated earlier, the federal portion is in addition to the guarantee that 20% of their Canadian Job Strategy regular programming will be targetted to recipients.

The agreement period is approximately 16 months in duration, and no commitments have yet been made to continue these efforts beyond March 31, 1989. It is expected that the Province will be asked to consider reviewing or extending the Agreement for a further period. Long-term evaluation obviously cannot be completed in time to help make decisions about immediate future programming. However, an internal program review of the first year's operation has been completed. A sample of recipient participants, employers, and welfare assistance staff has been surveyed and the feed back is very positive and encouraging.

We recognize that the employment support activities and opportunities made possible by the SAR initiative will not produce dramatic or immediate results in most cases. Such efforts must be viewed as an investment in the future of the individual, his family and the province. Individuals benefit from increased job competitiveness, enhanced self-esteem, greater motivation, and improved family functioning. The ultimate result however, is the number of recipients that are able to realize their own dreams of independence and greater self-sufficiency. Being convinced of the importance of such investments, and in recognition of the close relationship between employment potential and employment opportunity, we recommend that:

Recommendation #34

The Canada/Prince Edward Island agreement on Enhancing the Employability of Social Assistance Recipients be renewed.

Employment Opportunities

Obviously persons cannot be expected to obtain jobs where none exist. Employment enhancement initiatives are often criticized for improving the employment potential of people without improving the employment potential of the labor market. In fact, training and work experience opportunities may increase the competitiveness of recipients who then win more of the few jobs that are available. While this results in no net increase in the number of jobs, better trained and skilled workers will be more productive. To the extent that this benefits employers, business may become more profitable and in turn create more jobs. It is also important to keep in mind that if recipients are not trained and skilled they cannot take advantage of new job opportunities when the economy does improve.

If the objective of employment programming strategy is to facilitate self-sufficiency then it must not rely solely on improving the recipient's employment potential. It must also include the creation of employment opportunities during times of slow or negative economic growth. We must recognize the value of job creation in that it provides necessary work experience to persons who have had little or no attachment to the labor force, and remember that funds not spent on wages will be spent on assistance.

In developing employment strategies, the provincial government has two interests:

- short-term employment to allow recipients to stay in the labor market until the economy improves, or to enhance potential by providing work experience, and
- long-term employment that will provide economic stability to individuals, families and communities.

Short-Term Job Creation

It has become very popular in North America in recent years to provide jobs to employable recipients. All political parties support such initiatives, but often for very different reasons. Those who see the recipient as responsible for his own life circumstances would use a "stick" to chase him off welfare. The stick being one or more of the following:

- reduced benefits so the employable person can't get too comfortable on assistance;
- termination of benefits if a job is refused, or if not actively seeking work;
- creation of specific paid jobs with forced particiipation; and
- creation of unpaid work to "pay back" the system for assistance received.

Others, who see the recipient as a disadvantaged *victim* of his circumstances would use a "carrot" to motivate the recipient to seek, accept, and retain employment. The carrots include:

- adequate basic benefits to ensure the employable person's health, safety, and self-esteem needs are met while training or seeking work;
- employment supports such as day care, transportation, encouragement, and counselling;
- incentives such as exemption of some earnings and special assistance during transition from assistance to employment;
- job opportunities for valued work at fair wages;
- upgrading and skills training to enhance competitive abilities.

It is obvious from the public hearings and from reviewing relevant literature, an approach of forcing recipients to work creates an extremely negative atmosphere. It results in hostile relationships between welfare assistance workers and recipients; it annoys employers who cannot understand why recipients are sent to them on job searches when none exists; and it promotes a community attitude that pits the taxpayer against the recipient.

On the other hand, opportunity-based policy has demonstrated, on Prince Edward Island and elsewhere, that recipients want to work, that staff wish to help them, and that employers seek them out. In addition, the attitude of community members becomes more positive when they see recipients voluntarily seeking work. At the same time, the Committee accepts that more restrictive measures may have to be used with a few employable individual recipients who refuse to work. These, however, are few enough in numbers that they can and should be dealt with case by case. The programs and services must be designed for the vast majority who genuinely want to be free of financial dependence.

On Prince Edward Island, both the Department of Health and Social Services and the Department of Industry have short-term job creation programs. The Department of Industry's Job Development for Youth Program is a "wage-subsidy" opportunity reimbursing the employer 50% of wages. It is available to anyone under 30 years of age. The Department's Job Creation Program (JCP), on the other hand, is available only to recipients and gives priorities to those most financially dependent on welfare assistance (e.g. family bread-winners). Neither of these programs offers any training component beyond what orientation is provided by the employer, and neither purports to enhance employment potential beyond the limited value of a short-term work experience.

In spite of this limitation, six years of experience with JCP has demonstrated rather convincingly that the benefits go far beyond a short-term reduction in dependency on welfare assistance, including:

- some of the more employable recipients have succeeded in moving from JCP to longer-term employment, without returning for assistance;
- self-image has been dramatically enhanced for many participants and for some, being able to draw UI is seen as significant status improvement, even where it has meant no financial gain;
- family functioning has improved for many as a result of new confidence, new skills learned and new relationships formed with persons not on assistance;
- new motivation to pursue training/employment goals; and
- paid job placements have greatly benefited many non-profit community organizations and services.

In addition to those who may be inspired to pursue new career goals, and those who move directly into long-term employment, there are significant numbers of recipients whose interests are limited to obtaining just enough employment to qualify for Unemployment Insurance. There is also a number who for a variety of reasons cannot be expected to do more than seasonal short-term work. In light of this, short-term job creation is a necessary component of any serious employment strategy. We recommend that:

Recommendation #35

The Job Creation Program be continued each year, with adequate annual funding to meet the needs of those least likely to find other employment opportunities.

Long-Term Employment Development

In spite of Canada's continuing high unemployment level, the economy has continued to generate a significant number of new jobs each year. Unfortunately, the supply of new jobs in most parts of the country is exceeded by the number of new persons seeking work. In such an environment, the best efforts at training and employment support may not significantly reduce the actual number of persons on welfare assistance. Furthermore, as mobile as Canadians are, many are unwilling to uproot families to move to regions where employment demand is high. This is particularly true of persons with low educational level, few job skills, limited work experience, poor self-image and no savings to back them up during such a transition. Many of these persons may only find long-term employment if it is created in their own communities.

For many reasons Prince Edward Island is unlikely to attract major industry, employing large numbers of people. In addition, industrial development strategies to encourage location of large scale industries to economically limited regions have had limited success. More recently, increasing attention has been given to local community economic development initiatives that have resulted in the creation of new local businesses and local employment.

Such community economic development is the new thrust of many provincial governments as they seek to implement programs designed to encourage community self-help and worker cooperative ventures in local communities. On Prince Edward Island, efforts of the Department of Industry include traditional assistance to small scale entrepreneurs. More recent initiatives encourage community or worker-owned ventures. The success of many of these types of ventures would suggest that it is a viable way of creating employment in local communities. It seems appropriate that the Department of Health and Social Services work with the Department of Industry in their community economic development ventures. Considering the potential and significant advantages to recipient, employer, and community, we recommend that:

Recommendation #36

The Department of Health and Social Services begin to work directly with the Department of Industry to jointly develop local community employment opportunities.

CHAPTER 8

DISABLED RECIPIENTS

Modern medicine, rapid technological growth, and new social concerns have dramatically altered life for disabled persons and their families. Preventive medicine and sophisticated treatments have increased life expectancy for many, and reduced the severity of the disabling condition for others. New aids and support services have assisted the disabled person's participation in community life.

The most visible changes in this regard have been in relation to the physically disabled. Public buildings are now routinely provided with wheelchair accessibility and designated parking spaces; television programs are often provided with closed-captioned script; educational institutions are more frequently providing adaptive equipment for handicapped learners; and so on.

This attention given to the physically disabled has contributed to greater awareness of the needs of other disabled persons, namely the mentally and emotionally disabled. Far greater efforts are now being made to integrate those with non-physical disabilities into all segments of community life.

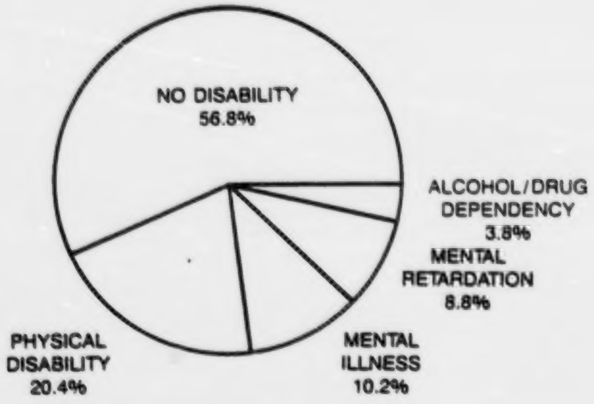
In the past, disabled persons who could not live completely independent lives usually were supported in one of two ways: they remained in the care of their family or they were placed in an institution. Greater awareness of the negative effects of institutional living has prompted advocacy groups to pressure governments to normalize the living conditions of the disabled by moving them out of institutions. While admirable in objective, most of the efforts to de-institutionalize disabled persons and relocate them in a normal community setting fell short of the desired outcome. The supports necessary to help with community integration were not well developed. As a result there was little support for the disabled person seeking opportunities for employment or social participation, or in need of supportive follow-up.

Basic Benefits

As indicated in Diagram 8, 43% of recipient heads of household are disabled persons and are grouped in four broad categories for data collection purposes. Within each of those categories, the disabilities may range from mild to severe; employment status may range from unemployment to full-time employment; and residence may vary from those who live on their own to others who require complete care. How much of a handicap these disabilities present often depends on family and community factors as much as upon the nature of the disability itself. Obviously then, the needs of each disabled person will be unique because of many factors in his life, and not because he has a particular type of disability.

DIAGRAM 8

CASELOAD BY DISABILITY OF HEAD OF HOUSEHOLD



— TOTAL CASELOAD 4269 —

JANUARY 1989

Unlike a number of other provinces, Prince Edward Island currently has a benefit structure in which the basic benefit for food, clothing, household, and personal items is the same for disabled and non-disabled recipients. Shelter benefits also are the same for all persons with one exception; shelter ceilings may be exceeded for disabled persons who cannot find accessible accommodation within the maximum benefit. Some provinces still have differential benefits based on the type of disability. In Ontario, for example, a blind recipient receives a higher benefit than other disabled persons even though his/her costs may not be higher.

Special Needs

In addition to the basic needs benefits, disabled recipients in this province may receive special needs benefits for expenses related to their particular disability. These additional benefits may be either continuous or non-continuous. Continuous special needs benefits are those that are paid monthly to cover such recurring items as medical supplies, transportation, and home care expenses. The non-continuous special needs benefits are usually provided on one occasion only to meet an unusual expense such as the purchase of a wheelchair, the construction of a ramp, or a special medical transportation cost.

One of the continuous special needs available to disabled persons in room and board is the $50 per month personal comfort allowance. This allowance is intended for those recipients who, due to disability, are unable to earn casual income to pay for items of personal care or comfort. Although there is no basis in Regulations, the allowance has been restricted in practice to those living in room and board accommodations.

Disabled persons living independently may rightfully claim that they have an equal need for a personal comfort allowance to cover expenses related to living alone, particularly if they are responsible for snow removal, grass cutting, and other expenses related to the upkeep of a property. In consideration of both equity and simplicity in meeting some of the personal costs associated with being disabled, we recommend that:

Recommendation #37

The $50.00 per month personal comfort allowance be extended to all disabled recipients who are unable to earn casual income.

Residential Options

Disabled adults who receive assistance range from mildly to severely disabled. Many of the mild to moderately disabled could, with the technical aids and personal supports, live relatively independent lives. The more severely disabled however, continue to require substantial, if not total care. In some cases, families continue to care for their disabled sons and daughters because a more suitable residential support system is not readily available. In other cases, an alternative may be available that is not in the family's own community. As a result, some severely disabled adults do not receive the benefits of specialized care, and less severely disabled adults do not receive the level of independence that would be in their own best interests.

The issue of providing the appropriate level of support for the disabled adult is of general concern to the Department of Health and Social Services as it has a mandate to ensure that support services are available to disabled persons. It is also of specific concern to the Department as 43.2% of welfare recipients are disabled adults. Policy options should support those residential options for persons on assistance who have some potential for independence, and be more supportive of families caring for severely disabled adult sons or daughters at home.

Support to Families with Dependent Adults

In the past, there were few residential alternatives for more severely disabled adults. Whether physically or mentally disabled, elderly or sick, there were few options other than large institutions to provide adequate care beyond the family capability. The less disabled continued to live at home and the more disabled in large institutions. Unfortunately for the disabled adults living at home, many families could not provide the professional care required. On the other hand, most institutions could provide neither the emotional care nor the home type of environment.

In recent years, a range of middle options have developed, bridging the extremes from total home care to full institutionalization. One of these options provides an enhanced family environment by offering supports to the family caring for a disabled son or daughter; another option provides a family atmosphere in the form of room and board which is augmented with personal or supervisory care. Other options such as group homes or community care facilities provide a less institutional means of care. The range of options continues to develop, often with new variations to meet specific needs. In spite of these new developments, many disabled persons require tailor-made options that can only exist if policy is flexible and funds are available.

It has become increasingly obvious in recent years, that dependent disabled persons should not be separated from their caring, families due to a lack of specific supports. It appears to be far more advisable to bring supports to the family rather than to increase care at an institutional level. In this province, specialized family services have become increasingly decentralized and more readily available in local communities and family homes. This increased decentralization of staff and services has led to greater community involvement in the resolution of problems of the disabled. Through cooperation and negotiation, extended family members, friends, and community groups are becoming more involved in the lives of dependent disabled persons. We consider this development highly desirable but are concerned over the small measure of financial assistance provided to families caring for severely disabled adults.

Disabled dependents on assistance receive the same basic FCHP benefit as other recipients, plus the $50 per month personal comfort allowance. Presumably, this very basic allowance is spent on the actual items (food, clothing, personal, and household) leaving nothing for the caretaker. Parents of recipients receive no shelter allowance, and where relatives are acting as caretakers they receive only a shelter allowance of $100. In addition, parents, relatives or other caretakers may receive up to $40 per month special care allowance. While this special care allowance may be adequate in cases of relatively minor disabilities, it fails to compensate the family who provides total care for a severely disabled adult.

One of the reasons for the limited benefits to such families, seems to be the concern that families may appear to profit from the provision of care for their own sons and daughters at taxpayers' expense. While a concern, it does little to differentiate between those with few care responsibilities and these with many. As parents and advocates have pointed out, the cost of caring for the severely disabled in institutions on Prince Edward Island is very expensive. Group homes for mentally handicapped adults have costs that vary from 35 to 92 dollars per day. The costs in community care facilities range from 20 to 65 dollars per day. In full care nursing homes the cost may be as low as 45 or as high as 74 dollars per day. The greater the number of dependent adults cared for at home, the smaller the need for costly institutional facilities and services. It would seem both just and financially sound that a more appropriate measure of financial support be provided to families that are extending such care to disabled relatives and family members.

There is no question in our minds that a family should not profit in caring for another family member. Nor should that family be subjected to undue hardship. By the same token, it would be equally irresponsible for government to continue to spend large sums of money on expensive institutions when there may be more appropriate solutions. A fair policy in this regard would be one that supports shared responsibility between family and state. We believe that families do have a responsibility to care for their dependents. We also believe that society has a responsibility to its disabled members. A policy based on shared responsibility would acknowledge that the care required for each disabled person varies just as the ability of a family to provide the care varies.

In more specific terms, a policy based on shared responsibility would:

- recognize the needs and potential of the disabled person;
- expect families to contribute to their capability;
- provide government financial assistance to support family efforts and services; and
- expect government to assume full responsibility only when necessary, and directly or indirectly provide substitute care alternatives.

Consistent with such a policy, we would favor a more generous and flexible special care allowance similar to the intensive care allowance offered to community care facility operators on the basis of an assessment of the extra care required by the dependent person. Specifically we recommend that:

Recommendation #38

The special care allowance to those caring for a disabled adult in their home be increased to a maximum of $150 per month, depending on the level of dependency.

Recommendation #39

The respite care allowance be extended to any family caring for a severely disabled adult regardless of the cause of the disability.

Recommendation #40

The Department of Health and Social Services continue to develop or facilitate local development of in-home support services to complement care provided by families and other members of the local community.

Independent Living

As a society, we are becoming increasingly aware of the distinction between a disabling condition, and the potential that a disabled person has to overcome the handicap of that condition. Severity of the disability is not the only factor in determining the person's potential for independent functioning. The disabled person's attitude, the attitude of the general public, the availability of treatment aids and support services are all factors in helping the individual overcome a disabling condition. For example, a person with a mobility impairment is more likely to risk leaving the house if he or she has a positive attitude toward the impairment, if the public is positively disposed to accepting a handicapped person as a fellow citizen with rights and privileges; and if businesses and community services provide the proper equipment to make their facilities readily accessible.

Most of us think of independence in absolute terms. We tend to think of disabled persons as being able to function entirely on their own, or requiring total care. To the disabled person, however, independence is relative and the goal is often to be a little more independent tomorrow than today. For a mentally disabled person, independence may be achieved by moving from a family home or institution to a group home, or from a group home to a shared apartment where he or she has the opportunity to learn to cook, clean and shop for groceries. For a physically disabled person, independence may mean obtaining a wheelchair ramp, or hand-controls on a car. With each accomplishment, and each new measure of independence, comes greater self-confidence which in turn encourages more risk-taking behavior toward independence. Often the ability of a disabled person to live more independently depends more upon the availability of technical aids, modified homes or work environments and support services than it does upon the severity of the disability itself.

As disabled persons increase their independence some will no longer need welfare assistance. With opportunity, support, and perserverance, they will obtain permanent employment and be able to meet their own financial needs. Other more severely disabled persons, having fewer employment opportunities, will continue to require periodic or ongoing support. It is entirely consistent with Government policy to provide opportunities and benefits that facilitate greater independence to disabled persons. Such policy should include the independence offered through a variety of residential options. In some cases, living more independently in the community will require a rather complex plan which includes live-in support persons and a variety of medical and social support services. In other cases it will require only financial help to facilitate the move and adjustment to a situation of greater independence.

A change in a dependent disabled person's living arrangements is most often the result of one of two situations. It is either the result of a breakdown of existing arrangements, or the request of an advocate (family, other staff, or the agency) to allow the disabled person to move toward greater independence. When a disabled person's existing living arrangements are no longer available or are threatened, new options are found, although not necessarily in the most appropriate form. Plans for individuals in such circumstances are more likely to be frustrated by a limited choice in accommodations rather than by program policy.

Where the demand for change is prompted by a request to enhance the independence of the disabled person, however, the request is most often considered to be of a less urgent nature. There is no clearly expressed initiative to facilitate greater independence through welfare assistance. Each case is examined on its own merits but without clear policy guidelines for reference. Government's reluctance to be more assertive about this issue comes about from the fears that new arrangements for greater independence will not necessarily improve the individual's quality of life and that the cost will be prohibitive as more and more disabled persons demand the opportunity to live independently. While these concerns are valid they should not result in a prolonged policy vacuum.

One of the financial "obstacles" in approving these community living plans is the cost of furnishing apartments. Presently such items are paid out of the general special needs account that is available to meet the needs of all recipients. Given the limited resources in that account, home furnishing, with the exception of refrigerators and stoves, will get low priority for expenditure of funds. It would seem much more reasonable to seek additional money to facilitate the community living plans and maintain it in a separate account. This would also serve to limit the number of plans that can be approved each year, thus allowing all concerned to learn from each case and make policy and practice adjustments for the future.

Disabled persons who are able to work and save for the purchase of furniture, dishes, linen, etc., will often exceed the asset limits for continuing welfare eligibility. In the interest of encouraging independence and self-reliance, asset levels for such individuals should be increased. It would seem reasonable to increase the allowable asset levels from the current $900 for a single disabled person to the $3000 level allowed by CAP.

There is a significant number of disabled adults living at home with parents or other relatives, who are capable of living more independently with some ongoing support or supervision. Some families have or are willing to create an independent living space, such as a basement apartment or small house in the yard, but cannot afford the extra cost of construction/conversion or cannot afford the loss of existing rental income. It would seem appropriate therefore to have more policy/benefit flexibility to allow such mutually beneficial arrangements. We must keep in mind that as long as the family is able to provide the day-to-day supports, there is no extra service cost to government. Extending the regular shelter ceilings to disabled persons living in self-contained quarters with parents and relatives would allow families to receive the same income as if the unit were rented to someone else. To provide necessary opportunities for independent living, we recommend that:

Recommendation #41

A specific policy be developed to facilitate the plans of disabled persons who show potential for more independent living.

Recommendation #42

A separate special needs account be established to cover the purchase of household goods for those unemployed disabled persons whose community living plans have been approved.

Recommendation #43

Allowable asset limits be increased to the Canadian Assistance Plan limit for employed disabled persons who are preparing for more independent living arrangements.

Recommendation #44

The standard commercial shelter ceiling be available to disabled persons who have the opportunity to live in a self-contained unit with or adjacent to parents or relatives.

Financial Independence

The better the prospect of long-term employment at a reasonable wage, the greater the potential for complete freedom and self reliance. Living independently is still only partial freedom for the disabled as long as they are depending on someone else to pay the bills. Full independence, therefore, is most often related to employment. Several recent developments have greatly improved the prospects for employment for disabled persons:

- priority given to disabled persons in the Federal program under the Canadian Job Strategy,
- new opportunities for training and work experience in Provincial programs under the SAR Agreement (Chapter 7),
- new assessment criteria for the determination of employment potential when applying for welfare assistance (appendix E), and
- the addition of employment specialists to the staff complement of regional offices.

The general effect of these initiatives is the creation of a new attitude and a new environment of optimism about helping the disabled realize their employment potential. In specific terms it has meant new opportunities for the disabled with support and follow-up to ensure better adjustments and greater success. While it is too early to assess the long-term results, each minor success brings encouragement to the individual disabled employees, their employers in the community and to the Department of Health and Social Services.

At this time, the system is only beginning to develop the appropriate supports to enhance the employment potential of disabled recipients. Disabled recipients with high potential for employment may require a minimum of help taking advantage of opportunities that already exist in the community. Those faced with low employment potential will require a much greater support system to overcome more serious personal, and social barriers. To this end, Government initiatives, (Chapter 7) to provide employment specialists and work opportunities must be supported and expanded.

CHAPTER 9

PROGRAM DELIVERY

A program or service is only as good as its capacity to delivery the intended benefits. We have all seen examples of good programs that do not live up to our expectations because they are under-funded, are difficult to access, are delivered by poorly-trained or incompetent staff, are encumbered with paper work, or are poorly administered. We are also familiar with services that for the opposite reasons, exceed our expectations and enjoy widespread praise. While it is difficult to imagine wide spread praise for the Welfare Assistance program, either from recipients or the general public, it should be possible to achieve more favorable responses from both.

The Welfare Assistance Act gives the Minister of Health and Social Services the authority to provide assistance to persons in need. This assistance includes both financial aid and such other services that would contribute to their well-being and assist them in moving toward self-sufficiency. Access to the program is increased by the decentralization of staff to local regional offices. A central intake system is designed to help those seeking assistance to obtain the appropriate services and resources. While some flexibility and discretionary powers are available, standardized practices are generally employed to ensure equity and fairness in the application of policies and procedures. An appeal process attempts to ensure that applicants and recipients are justly treated. Finally, a system of accountability is maintained by both provincial and federal audits.

In spite of these positive features, it is not uncommon to hear criticisms about program delivery from recipients and the general public. Recipients find program delivery inconsistent, and the attitude of some workers negative. Workers are often inaccessible, and decisions frequently appear to be based on personal values or moral judgments. In addition, recipients suffer the indignity of Credit/Service Authorizations (vouchers), and cheques that clearly brand them as recipients. Many struggle trying to budget with only one cheque per month. On the other hand, some members of the general public frequently accuse the system of encouraging abuse by not being controlling enough, by providing benefits that are too generous, and for meeting wants rather than needs. Two things contribute to the numerous criticisms that are heard: a lack of public education regarding Welfare Assistance, and a lack of communication with recipients by the Department of Health and Social Services. In addressing these issues we are hopeful that the Department of Health and Social Services will be encouraged to make improvements that will lead to more constructive relationships among the staff and recipients, and a more positive appreciation of the program by the general public.

Practice Issues

There is no doubt that the relative level of program benefits is a significant factor in the worker-recipient relationship. The smaller or the more rigidly controlled the benefits, the more difficult it will be for worker and recipient to develop a positive relationship. Turning down the request for a benefit may only antagonize a recipient who feels the request is quite reasonable. It also may bring out a defensiveness in the worker who is asked to explain the decision or the policy. Apart from this factor however, there are a number of practice realities that contribute negatively to the worker-recipient relationship.

Competency

Numerous complaints were made to the Committee, publicly and privately, questioning the competency of some staff delivering welfare assistance. The majority of complaints were directed at those staff who were characterized as condescending and hostile, and who leave recipients feeling dejected or humiliated for being on assistance or for making what they believe to be a reasonable request. From our further examination of this issue, we are satisfied that while the complaints are not directed at all staff, in some cases they are justified. They can be generally attributed to three factors: past recruitment of some persons with attitudes and personal values not compatible with requirements of the job; low priority given to training of new staff; and insufficient supervisory attention to worker-recipient relationships.

Steps have been taken in recent years to increase the number of field staff positions that require a professional social work education, and the Department of Health and Social Services is to be commended for that effort. However, very few welfare assistance cases are handled by professional social workers, since they are almost all assigned child welfare responsibilities. Some field staff have voluntarily embarked on a Bachelor of Social Work Study program, and a few have completed the degree requirements. The efforts of these staff, supported by the Department, are also to be commended. Again, however, these graduates are quickly offered opportunities to fill vacancies in the child welfare programs. A further problem is that professional staff are not interested in delivering a program that is characterized by rigid policies, limited benefits, and workloads that do not allow opportunity to work with the recipients. At this time, of the 24 field staff with full-time responsibilities in welfare assistance, only 7 or 26% have university degrees, and only 4 have a degree in social work.

It may not take a professional degree to competently deliver welfare assistance, but such training does provide the values education and opportunity to develop relationship skills required of these jobs. While these values and skills could be taught by means other than a social work degree program, there is currently no requirement that existing field staff take specific training outside the Department that might help modify attitudes or teach relationship skills. The Department's own attempts to address this problem have had limited success. Staff training resources are scarce and some staff are resistant to changing their own attitudes and values. This is particularly disturbing when you consider that many recipients are hurt and distressed, and even more are handicapped by a low self-image. These persons need workers who can be empathetic and compassionate, and who can provide support and encouragement even when they cannot provide additional financial benefits. We recommend that:

Recommendation #45

Training in appropriate attitudes and relationship skills be required of all welfare assistance field staff.

Recommendation #46

Staff who cannot develop the appropriate skills and behavior be transferred or provided with less sensitive work.

Recommendation #47

Greater priority be given to monitoring worker-recipient relationships.

Consistency

Another common complaint of recipients was the lack of consistency in providing benefits. This was expressed in two ways: the inconsistency from one region to another, and the inconsistencies among workers from the same office. To some extent the problem relates to the earlier discussion on attitudes. As one recipient expressed the problem, "one worker will give you the shirt off his back...another won't give you the time of day". However, the other major factor is policy interpretation. A significant number of benefits, particularly special needs, require a judgment on the part of the worker, supervisor or regional director. It is not advisable to eliminate the discretion allowed, as that is what gives the program some flexibility to respond to differences in individual circumstances. However, guidelines are provided, by way of policy directives, to assist in good decision-making. If policies are vague or confusing, workers and even entire regional offices will develop their own ways of interpreting those guidelines. Often this begins when an exception is made in one case for good reason, or because the policy doesn't exactly fit a particular situation. That decision may then be viewed by other staff as a new interpretation of the old policy. If policies are not regularly reinforced within regions and across the Island, such inconsistencies will become a major problem in delivering the program benefits equitably. In the interest of more consistent practice we recommend that:

Recommendation #48

Routine consultation take place between central and regional offices to review policy and develop practice expectations, and where possible, a process of consensus be utilized in such decision-making.

Recommendation #49

Routine staff development be provided so that there is a consistency among all staff members in the implementation of policy and in practice.

Recommendation #50

Central office staff routinely monitor the implementation of policy to ensure consistent practice.

Workload

There is no doubt that the quality of the worker-recipient relationship is also dramatically affected by the type and size of the worker's caseload. In general, the larger the caseload, the more frequent are recipient complaints of inaccessible workers. In some cases the recipient receives neither quality nor quantity of time from the overloaded worker. This in itself can contribute significantly to the worker's attitude toward recipient requests or demands. In Region 1 (O'Leary) and Region 4 (Montague) no worker has an exclusively welfare assistance caseload. The responsibilities vary to include child protection, foster care, counselling, rehabilitation, etc. and caseloads are generally smaller than a strictly welfare assistance caseload in other regions. A predominately financial assistance caseload in Region 5 (Souris) would average about 75 cases, in Region 2 (Summerside) the three welfare assistance workers have average caseloads of 112, and in Region 3 (Charlottetown) there are six workers with full-time financial assistance responsibilities, averaging 170 cases each. Workers with the higher caseloads will spend significantly more time on telephone calls, paper work, and travel than other staff. This most certainly has a negative effect on the helping relationship, in that the time spent on these routine activities is not available to assist recipients problem-solve on other important matters.

We are also aware that regional directors have authority to assign or reassign staff to various services or cases, in response to changing demands in the region and the changing skill mix among the staff. In recent years, demands other than welfare assistance have required that regional staffing adjustments be made. This most frequently happened in response to growing child welfare demands, and the more qualified staff were reassigned, to the detriment of the Welfare Assistance program.

In response to changing demands which were compounded by the rapid increase of welfare assistance cases resulting from the early 1980s recession, regional directors implemented a mail-in review process to free staff resources for more difficult cases. This process reduces the delivery of welfare assistance to a clerical function with face-to-face contact intended only once every three years. Annual reviews for this group of recipients are based on a review form mailed from the regional office. This form is completed and returned by the recipient in order to confirm continuing eligibility and to update the income and expenses used to determine the benefits paid. Adjustments between annual reviews, special needs requests, or other concerns require that the recipient call the office. If the concern is beyond the clerk's capability or authority, a welfare assistance worker is asked to respond.

The mail-in review process is intended for those recipients whose lives and financial circumstances change the least. For this reason it is made up predominantly of individuals or couples without children and who are not generally considered employable. While this is an efficient way of freeing staff resources for more needy or complex cases, we are concerned that it may not provide the most suitable service to many of the targeted recipients. For many older, disabled and often isolated recipients, the welfare assistance worker may have been one of the few links to a system of services and supports available in the community or through government. We cannot assume that each of these individuals has a caring and informed extended family to attend to their best interests. Housing, home care and support, transportation, and health services are problems often expressed to or observed by visiting welfare assistance workers. We do not believe that persons should be on a mail-in review system simply because their financial circumstances are relatively stable. In response to this concern, we recommend that:

Recommendation #51

The mail-in review process be limited to those recipients who, in addition to financial stability, have a family support network to attend to their other needs.

In response to more generalized staffing issues we recommend that:

Recommendation #52

The Department of Health and Social Services seek to establish client/ worker ratios that will ensure a reasonable level of service to all welfare assistance recipients.

Recommendation #53

The Division of Child and Family Services be provided with sufficient additional qualified staff to reduce welfare assistance caseloads by one third, to allow more personal attention to each case.

Integration With Other Services

We have noted that at any given time social service organizations may be wrestling with the issue of organizational context and structure in the delivery of welfare assistance. Provinces at various times have joined welfare assistance delivery with child welfare and at other times, have separated the two. More recently a few provinces have joined welfare assistance with labor or employment departments. Such changes are most often the result of changes in political philosophies or for administrative convenience, and may have little to do with an analysis of how to best serve the recipients.

A high percentage of recipients and recipient families are in need of other programs and services. It is also true that a high percentage of recipients do not have the information, skills or mobility to access other needed resources on their own. Their quality of life may be dramatically affected by the intervention of someone who cares about the entire family situation and the problems causing dysfunction. It is more likely that such concern will be demonstrated by the staff of a department that is concerned with other essential family matters.

The issue of integration/segregation of services is also extremely important at the regional office level. Generally speaking, where welfare assistance staff and other staff participate on the same teams or in the same work units, the mutual support and constructive consultation among staff is greatly enhanced. This constructive relationship ultimately benefits the recipient as each worker has the support and guidance of more professional staff in the unit. As addressed earlier, we are convinced that a positive, healthy, constructive relationship can do more to ultimately help recipients solve problems or achieve goals, than can the simple provision of a financial benefit. For this reason, we recommend that:

Recommendation #54

The Division of Child and Family Services establish organizing principles that will ensure welfare assistance staff are part of integrated regional staff work units.

Generalist versus Specialist

Some regional offices seem to favor general practice assignments of responsibilities to staff, others favor more specialization. It is possible then, for some more qualified welfare assistance workers to also be delivering child welfare, rehabilitation, counselling or employment related services. It is difficult to determine the most appropriate method without examining the context of service delivery on Prince Edward Island. In addition, it should be noted that welfare assistance workers, and other more qualified but non-professional staff, are formally classified as Social Service Workers. This is distinct from Social Workers, who hold professional degrees in social work.

As services have become increasingly decentralized to regional offices, and even further to areas or zones within regional boundaries, it is not possible to provide specialized services to all persons. Obviously the larger the target population the more the opportunity for specialization of services within that population. In effect, there is a trade-off between decentralization and specialization. The choice is between the provision of easily accessible services and the provision of services by more specialized or expert practitioners.

Part of the choice is eliminated due to the rural nature of Prince Edward Island. Specialization in some services might mean only one resource person for the entire region, or worse, the province. On the other hand, some problems cannot be effectively dealt with by general practitioners, as their large workloads and limited specialist knowledge would not result in effective practice. For example, a general practice social service worker could handle some child welfare matters in addition to welfare assistance, if appropriately qualified. However, it is unlikely that same worker could deliver the kind of specialized service needed for a sexually-abused child, or for the assessment of a prospective adoptive couple.

When the Department of Health and Social Services decentralized services in 1975, under the authority of local regional directors, all direct services were provided by staff allocated to that region. Some professional staff positions were added at that time, eliminating the need for specialist staff to serve large geographic areas from Charlottetown. However, the simultaneous move to integrate all social services under one local regional director, and implement a new intake/case management model reinforced the generalist approach to dealing with individuals and families in need. Since that time some specializations have emerged in response to new demands or new initiatives. Mental retardation workers, physical disability workers, and employment resource workers are now giving specialist attention to needs which previously were beyond the expertise or available time of the general practice social service worker.

In considering the many factors influencing the generalist/specialist dilemma in delivering welfare assistance on Prince Edward Island, we support a staffing model that is built on specialization only in those services that command a certain expertise, and where demand is sufficient to warrant specialized practice within a regional area. Where the demand is not sufficient, regions should consider sharing specialist resources, as they have on occasion in the past. On the other hand, we do not support the type of specialization that occurs when the least qualified staff are assigned a large and narrowly defined welfare assistance caseload, as described earlier in this chapter. Such assignments are certain to dramatically limit the quantity and quality of service provided to recipients on those caseloads.

If welfare assistance workers have limited time to spend with each applicant or beneficiary, it is only logical that their priority will be completion of the assessment, verification and paperwork that will establish eligibility and the amount of benefit to be received. Other needs, concerns or issues are not likely to be adequately addressed, if addressed at all in the limited time available. In view of this, we are anxious that earlier recommendations on raising the level of staff qualifications and reducing welfare assistance caseloads be implemented. Assuming these changes, and to ensure that the resulting increase in time available to each welfare assistance worker is best utilized, we recommend that:

Recommendation #55

The workload assignments of welfare assistance workers be broadened to help recipients with problems other than immediate financial need.

Policy/Program Issues

A number of practices are interpreted as demeaning to welfare assistance recipients. The continuing use of distinctive cheques and vouchers label and identify recipients as surely as did the badges worn in Elizabethan times. In addition, the practice of not providing recipients with any more information than is requested or required continues to place them in a low-status or inferior position, thus reinforcing the low self-worth already felt by many. These are negative features of the broader system, based on long-standing policy or practice, and cannot be blamed on workers. However, those workers with attitude problems or poor relationship skills can worsen the demeaning effects of such features.

Another program feature that unintentionally places stress on many recipient families is the issuing of only one cheque per month. At a time when most salary and wage earners are paid biweekly, recipients are forced to budget for an entire month from that one cheque. As indicated in Chapter 4 (Basic and Special Needs) the food allowance is often used for other needed items, making it impossible for some to budget until the end of the month. Two cheques per months would not provide extra assistance, but for some it would reduce the number of days between cheques where there is little or no food money left.

Distinctive Cheques

Many recipients have expressed concern that cashing their welfare assistance cheque automatically identifies them as a recipient of welfare assistance. To date cheques have varied in color or shading from other government cheques. Whether this was intentional, or done for some other purpose, is not known. Practice, however, seems contrary to the spirit if not the letter of the confidentiality provision of Section 6 of the Welfare Assistance Act.

We were pleased to learn, very recently, that all government cheques are to be the same style and color. In fact, the change-over has begun. Subtle differences in color shading may still occur, depending on what supplier prints the cheque blanks. The differences would not likely be discernible unless the two cheques were compared side by side.

Credit/Service Authorizations

Credit/Service Authorizations (C/SAs) are more commonly referred to as "vouchers". There is a logic that supports the limited use of C/SAs under certain circumstances, but there is no way to rationalize the high volume of approximately 800 per month. C/SAs are used for the following purposes:

- to provide immediate or emergency assistance to recipients who cannot wait to receive a cheque (e.g. groceries, fuel, etc.);

- to authorize purchase of items of special need (e.g. furniture, medical supplies, etc.);
- to authorize purchase of necessary services (e.g. dental and optical assessments, furnace repairs, etc.); and
- to provide controls on some recipients who have not used previous benefits as intended.

The primary criticism of the use of C/SAs is the embarrassment and loss of confidentiality associated with their use. Many of us have seen recipients humiliated by store clerks who are either insensitive, or ignorant of the store procedure for handling C/SAs. It would be embarrassing to use a C/SA under most circumstances, thereby identifying oneself as a recipient to the clerk. To have that clerk draw attention to the fact, for others in line to observe, is devastating. In addition, C/SAs are awkward to use for groceries as they are written in an exact amount. If a recipient doesn't keep a running total, there is the risk of a problem at the check-out. C/SAs also represent an unnecessary and inappropriate restriction in that they cannot be used in more than one store. The only way for a recipient to have some degree of flexibility to shop where they want is to obtain more than one C/SA from the worker. This solution would still require knowing what is wanted from each store in advance. Also, workers do not like using C/SAs in most instances, as they require time to complete, careful explanation on usage, and frequently cause extra administrative work.

The two most common reasons for issuing C/SAs are to: (1) provide immediate food or fuel in emergencies or to new applicants, and (2) authorize the purchase of items of special need. In each circumstance a cheque would be much more appropriate than the C/SA. A cheque could be printed in the regional office, thereby eliminating the delay in providing assistance, and avoiding the other negative features associated with C/SA use. Technologically, there is no reason to delay such an improvement as a variety of cheque-writers are available. Concerns about security and control can be resolved, just as they have been for C/SAs. The Province of Manitoba has the newest computerized program for welfare assistance delivery in Canada. Each district office in that province has one computer terminal with a cheque printer attachment. Even if such cheques were not identical to other government cheques, the recipients could discreetly cash them at a bank or credit union and then make their necessary purchases in the store of their choice. We recommend that:

Recommendation #56

Immediate steps be taken to eliminate the use of most C/SAs by developing a procedure for issuing cheques from the regional offices.

Two Cheques Per Month

A considerable number of recipients have requested that cheques be issued twice per month to help ease the stress of making assistance last the entire month. The problem, for many, is that even when budgetting wisely there are unforeseen expenses that can only be paid from the FCHP portion of assistance. This leaves less for food, clothing, personal and household supplies. The balance is stretched out over the days remaining in the month, and often falls short, leaving some portion of the last week without sufficient food. Two cheques per month would help alleviate some of the hardship experienced by some recipients.

To convert the entire system for those on regular assistance to two cheques per month poses a number of other problems. Some recipients prefer one cheque per month, particularly those who have other income like unemployment insurance. Others receive such a small amount that two cheques per month would be of no advantage. For recipients with shelter payments two equal cheques may create problems if there is not a sufficiently large cheque at the first of the month to cover shelter expense.

The obvious solution is to provide the option of receiving one cheque or two each month. Those who choose two cheques could perhaps receive the shelter and one-half the FCHP in one cheque, holding the other half of FCHP until mid-month. To carry it a step further, it may be technically possible to not only give recipients the option of two cheques per month, but also let them decide the exact amount of the split in funds. In this manner, assistance payments could be tailored to suit the particular budgetting needs of each family. We therefore recommend that:

Recommendation #57

A procedure be developed to provide recipients with the option of two cheques per month, preferably allowing the recipients to determine the ratio of the split.

General Program Information

Recipients are often frustrated by the lack of communication of information that would be helpful to them in coping day-to-day with a difficult and frequently stressful situation. Specific complaints include: the lack of information on basic eligibility criteria and benefits, lack of information on policy or procedure changes, and lack of access to policy manuals. The Department does not produce an information package on welfare assistance that would be useful to applicants, beneficiaries, or the general public. There seems to have been an attitude in the past that if the program has low profile, demand will be suppressed and expenditures more easily controlled. While this may have appeared effective in reducing costs, it may also have promoted unfair distribution of benefits and a mistrust of the system by recipients. A consequence of the present lack of openness is that some workers provide more information to recipients than do others, and as a result some recipients obtain benefits denied to others in greater need. This, in turn, encourages some recipients to obtain benefits by less open or less legitimate means.

A number of booklets and brochures from other provinces were reviewed by the Committee, as well as a short video tape produced by Ontario to explain a major policy initiative. We were particularly impressed by the Manitoba brochure "Social Allowance Program - 1987", for its format and detail. The merits of video technology were also addressed, and suggestions made that basic information on video tape could be made available to applicants, particularly those with low reading skills, for home or office viewing. In the interests of a more open, equal, honest relationship, we recommend that:

Recommendation #58

A communication kit be developed to provide applicants and beneficiaries with program and benefit information, in easily understood language.

Policy and Benefit Changes

It appears that information on policy or benefit changes is sometimes provided directly to recipients through the mail, and others are dealt with by a general press release. However, recipients are not routinely informed of such changes. Where benefits are increased, but unannounced, for example, those who ask may receive an immediate increase, and others may wait until the next contact with their welfare assistance worker. If that contact is not until the next scheduled review, the recipient could wait up to one year before receiving the benefit. In view of this, we recommend that:

Recommendation #59

Recipients be informed, by mail or newsletter, of policy or benefit changes that could directly or indirectly affect the amount or type of assistance received.

Policy Manuals

Acts and Regulations on Welfare Assistance are available as public information in all provinces and territories. Policy manuals, however, are available in some provinces and not in others. Just as Regulations specify what can or cannot be done in implementing an Act, policy manuals further specify the implementation of Regulations. Acts can be altered only by the Legislative Assembly and Regulations only by Executive Council. Policies, on the other hand, may be established by ministers or senior officials. Policies may be very specific in their direction or they may provide only general guidelines to help staff make appropriate decisions in specific circumstances.

We can understand the recipient's need to be fully informed of current policy and procedures, but can also understand the reluctance to distribute a policy manual that without adequate training and supervision can be easily misinterpreted or misunderstood by a layperson. Manuals also require continuous updating and the distribution of such revisions. With these concerns in mind, it was interesting to discover that Alberta makes their policy manual generally available for a fee but also distributes a booklet entitled "The Alternate Welfare Manual". This booklet was developed by the Edmonton Social Planning Council, an independent community organization, but is routinely distributed to applicants and recipients by staff of the Department of Social Services. We believe that any policy or procedure affecting recipients should be routinely available and open to scrutiny. Keeping in mind the needs of recipients and the responsibilities of the Department of Health and Social Services, we recommend that:

Recommendation #60

A booklet or manual explaining program and policy detail in easily understood language be made available to all interested recipients and periodically revised to ensure accuracy.

Rights and Responsibilities

In recent years much attention has been focused on individual rights, particularly in cases where individuals or subgroups of society believe their rights have not been respected. Even more recently, the Charter of Rights and Freedoms has given legal sanction to new measures of equality. As important, yet receiving somewhat less attention, are the responsibilities that go with those rights. Responsibilities are often implied, and not stated.

Recipients as individuals, and government as represented by the Department of Health and Social Services, have both rights and responsibilities in the welfare assistance relationship. The Department has been given the legislated responsibility to administer the Welfare Assistance Act, and to do so has the right to exercise some discretion in making benefits available to persons in need. The Department has the right to expect, for example, that recipients seek and accept employment alternatives to welfare assistance. This also carries with it an obligation to provide supports and opportunities that will help recipients become more self-sufficient. In the administration of the Act, detailed financial information is required of the applicant, and the Act also requires that this information be kept confidential. In gathering information the Department has the legal right and obligation to ask sensitive questions and make difficult decisions, but also carries the responsibility to treat applicants and recipients with dignity and respect during the process.

Determining the amount of assistance received by an applicant carries with it the weight of treating recipients fairly and equitably. At the same time, the Act requires the Department to administer funds responsibly on behalf of the taxpayer. Trying to meet the needs of individual applicants, while respecting the broad principles of justice and equity, within a limited budget has resulted in a rather complex set of policies and procedures to guide decision-making. Furthermore, these decisions are made by real people with human capacity for error and misunderstanding. For this reason, both an informal and a formal appeal mechanism forms part of the welfare assistance program.

Informal Appeals

When an applicant or a recipient is dissatisfied with any aspect of the handling of her case, she may ask to meet with someone of higher authority to review the circumstances and decisions made. This informal mechanism is not routinely offered to dissatisfied or unhappy recipients. The result is despair or hostility because there is no apparent mechanism to resolve such issues short of the formal appeal hearing. Some more assertive or desperate recipients will seek the intervention of a supervisor, regional director, Deputy Minister or Minister. When accomplished in this manner, resentment on the part of worker and recipient is likely to result. Those more passive recipients who do not wish to alienate their workers are more likely to suffer in silence.

It seems to us that it would be far more appropriate to openly sanction the informal appeal process by offering each dissatisfied person a meeting with a supervisor. Frequently, all that is required is for someone in authority to explain the correctness of a worker's decision, or to explain it in a way that is more readily accepted by the recipient. Where the decision cannot be changed, the added opportunity to discuss and vent would leave the recipient less frustrated. In those cases where the worker erred, the situation could be immediately corrected without forcing the recipient to initiate a formal appeal. In cases where an application for assistance has been refused, an immediate appeal is essential in that worker error could deny someone necessary assistance. If formally appealed, Regulations will not allow any assistance to be granted until the Board reaches a decision, which could be several weeks after application is made.

We believe that the benefits of a more open informal appeal will more than offset the costs. We realize that such a change would put more demands on supervisors' time. However, if the recommendations on reducing caseloads and improving staff competency are implemented, there should be fewer dissatisfied recipients and hence less appeal requests. In the interests of fairness and equity for all, we recommend that:

Recommendation #61

Dissatisfied applicants and recipients be routinely offered the opportunity to informally appeal to a supervisor or other appropriate higher authority.

Formal Appeals

Those who are dissatisfied with the application or review process, and who have tried or are not interested in the informal process, may proceed with a formal appeal. Each step of the procedure is outlined in the Welfare Assistance Act Regulations, and begins with the appellant's written request. In response, a Ministerial Review is conducted by a senior official of the Department of Health and Social Services on behalf of the Minister. A decision in the appellants favor would be communicated and the regional office directed to make a correction. A review in the Department's favor would be forwarded along with a procedure for requesting a hearing with the Appeal Board. The senior Board members are appointed by Executive Council from the community-at-large, for not more than two terms of three years each. It is required that one of the members be a current recipient of welfare assistance.

The Appeal Board conducts a semiformal hearing in the recipient's regional office, hearing statements and discussing circumstances with both the recipient and a Departmental representative from that region. The decision of the Appeal Board is binding and may only be reconsidered by the Board itself, within 10 days, and only on the basis of new evidence. Actual results of the appeal process are noted in Table 5.

Table 5

APPEAL BOARD DECISION RESULTS DURING PAST 3 YEARS

FISCAL YEAR	# OF CASES	ALLOWED	DENIED	WITHDRAWN
1985-86	29	10	19	
1986-87	21	9	12	
1987-88	17	6	10	1

It is interesting to note that there was little specific mention of the appeal process in the public hearings or written submissions. As well, the number of requests reaching the Appeal Board has declined significantly in each of the past three years. If this were a reflection of widespread frustration with the process, it was not apparent at the public hearings or in the written submissions. There were a few additional concerns expressed however.

It is interesting that one or two submissions called for a recipient to be appointed to the Appeal Board, not realizing that a recipient has been on the Board for the past several years. In fact, Regulations were amended approximately 5 years ago, requiring that at least one member be a current recipient. Concern was also expressed that the Appeal Board be given the authority to make rulings that would change regulation. This request cannot be supported as it would usurp the authority of Executive Council to implement legislation. The responsibility of the Board is to ensure that existing regulations have been properly applied to an individual's circumstance. Beyond that they can only recommend Regulation or policy improvements.

Demands that an ombudsman be appointed to specifically investigate recipient complaints, does not seem to be warranted. An ombudsman only has the power to investigate, not to correct. It is unlikely that another avenue of inquiry is necessary. In addition to the informal and formal appeal possibilities within the system, recipients frequently seek the intervention of MLAs, MPs, the Human Rights Commission, community agencies, and occasionally the media. On the other hand, if Government were persuaded to appoint an ombudsman to deal with complaints against government services generally, we would certainly expect the services of such a person to be available to welfare assistance recipients.

Attention was drawn to the fact that section 39 of the Regulations does not permit the payment of legal fees on behalf of recipients engaged in the appeal process. There is nothing preventing a recipient from engaging legal counsel, although the appeal hearings are quite informal and the Department is not represented by legal counsel either. Recipients, unless represented, do appear to be at a disadvantage in such hearings with respect to information and experience in such matters. In view of this, we recommend that:

Recommendation #62

The Department of Health and Social Services review the appeal hearing legislation with the Department of Justice and explore the possibility of making legal aid resources available to recipient appellants.

Abuse and Fraud

Throughout the review process which included verbal presentations and written submissions, there was very little direct concern expressed about recipient abuse of welfare assistance benefits. Most observations were general in nature and provided a consensus that abuse was (a) limited to a few recipients; and (b) no worse than in other systems such as unemployment insurance, medicare, or income tax. Notwithstanding this lack of concern, the Committee did address the issue in an attempt to understand the factors that contribute to abuse and the public perception about it. Obviously, whether a major problem or not, effectiveness in reducing the abuse that does exist will reflect positively on the image of both program and recipient.

Inherent to the design of the welfare assistance legislation, federal and provincial, is the concept of individual need, as discussed in Chapter 4 (Basic and Special Needs). The benefit structure reflects this intent by providing few general fixed rate benefits (e.g. FCHP), and leaving other benefits (e.g. shelter and special needs), to be determined by individual need. Such flexibility in structure and benefits leaves the program more vulnerable to abuse than would programs such as family allowance, for example, which provide the same benefit to everyone regardless of circumstance. This vulnerability must then be protected by collecting information on each applicant to determine eligibility and correct benefits, verifying the accuracy of that information, and routinely updating that information to maintain accuracy. Obviously, these tasks can be more successfully completed if the program is provided adequate and properly trained staff resources, clear policy guidelines and competent supervision.

The importance of the public's perception on welfare abuse and fraud cannot be overstated, even if of questionable accuracy. In recent years as the economy was on a downslide, fewer jobs meant more welfare assistance cases. As easy as it was to rationalize, the public had difficulty accepting that so many obviously employable persons needed to be receiving welfare assistance benefits. In spite of the knowledge that jobs did not exist, the public would not generally support benefit improvements to persons who could be working, and were also afraid that too much comfort while living on assistance would kill the motivation to job hunt when the economy did improve. Some provinces even lowered benefits during that period to make almost anything be more attractive than welfare assistance. Such negative policies encouraged abuse, however, as beneficiaries struggled to provide food and shelter on meager benefits.

When demands for assistance increase, caseloads also increase, reducing the amount of time workers could spend gathering, verifying or reviewing information necessary to determine accurate benefits. As a result, mistakes are made and the negative public attitude is reinforced and generalized even further. In fact, many complaints of alleged abuse received by regional offices are made about persons not even on assistance. A kind of hysteria develops where people think they see welfare abuse everywhere.

Obtaining benefits to which one is not entitled may include:

- fraud, or the deliberate attempt to deceive by providing false information, or withholding information critical to the determination of eligibility or benefit;
- recipient errors, due to the misunderstanding of the rules regarding reporting of assets, income or expenses; and
- administrative errors in the processing of information, or the application of policy by program staff.

The majority of such benefits are considered overpayments and not pursued as fraud cases. Overpayments fall into two recovery categories; those who remain on assistance, and those who do not. Policy requires that 5% of the overpayment be collected each month, although lesser amounts can be approved by the Director of Welfare Assistance if extreme hardship were to result.

Those who remain on assistance have their overpayment recoveries deducted from future cheques. Attempts are made to gain voluntary recovery agreements from those no longer on assistance. Collection rates from those no longer on assistance are generally low, and jurisdictions who have tried special collection units have found it difficult to collect enough to even cover the cost of the unit's operation.

The most common type of abuse/fraud is the non-reporting of income or assets. Assets over the allowable level may be concealed in order to first qualify for assistance, whereas unreported income is more likely to occur later in order to maintain eligibility for current benefits. Income from common-law spouses, wages or self-employment, and pension income are the most frequent abuses. Some do not report additional income at all, others report it only at the next scheduled review, or after receiving it for a short while.

We believe that those who would flagrantly lie or cheat to obtain benefits are only a small minority of recipients. Of greater concern, perhaps, are those who would take advantage of the system by avoiding work opportunities, by not immediately reporting reductions in expenses, or by presenting wants as needs in order to obtain special benefits.

Prevention

Factors other than recipient behaviors that contribute to the various forms of abuse include:

- inadequate benefits;
- lack of work incentives;
- inconsistent application of policy;
- unclear or outdated policies or guidelines;
- poor communication with recipients about program expectations;
- inaccessibility of staff;
- lack of diligence by staff; and
- lack of public willingness to report abuse.

Earlier recommendations are related to many of these contributing factors, and if implemented should help reduce the incidence of abuse. Better benefits and work incentives will reduce the need to seek other advantages. More accessible staff and staff training will ensure greater practice consistency and fewer administrative errors. Communication improvements to better inform recipients will reduce recipient misunderstanding. A stronger central office role in providing clear policy guidelines and monitoring policy implementation is also essential. The lack of a full-time coordinator or director for this program is difficult to understand given the complexity of program delivery, and the need to develop such delivery supports as staff training, better communication techniques, and expenditure monitoring. The Director of Welfare Assistance role is assigned to the Director of Child and Family Services, who has responsibility for numerous other programs. It is essential that a full-time senior support position be provided to assist the Director in administering this essential and complex program. A recommendation in this regard will be presented in the next chapter (Building for the Future).

Detection and Recovery

We understand, that a number of problems exist with the system of detecting overpayments. There is some confusion as to what constitutes an error and as a result some overpayments may be ignored. Considering the paperwork involved and the unpleasant task of having to confront the recipient about a recovery, it is no wonder that staff may use unclear policies as a reason to ignore certain errors.

Recovery of overpayments is also a problem, at least from those no longer on assistance. Voluntary repayment agreements are effective with a few, and regular payments are received. The majority however, make sporadic payments or none at all. Regional staff occasionally pursue recovery payments, but quite rightly do not see it as their role to act as collection agents.

Other than the regional office there is no collection activity process to pursue this debt, nor is there a procedure for writing off uncollectable overpayments. As a result, the outstanding number and amount of overpayments keeps growing.

We do not believe that the amount of abuse of welfare assistance benefits is any more serious than in numerous other programs, particularly given the program's complexity. It is obvious however, that the number of incidences of those receiving benefits to which they are not entitled could be reduced. While a difficult task, maintaining openness and the flexibility to respond to individual need, without creating an excessive vulnerability should be the objective. We recommend that:

Recommendation #63

Steps be taken to ensure that prevention, detection, and recovery techniques be developed to minimize the opportunities that unfair advantage may be taken of assistance benefits.

CHAPTER 10

BUILDING FOR THE FUTURE

Despite the fact that problems with Welfare Assistance on Prince Edward Island have been identified, we go back to an earlier observation that the legislative foundation is good and the decentralized operation is effective in delivering benefits. The program, however, is not as effective as it should be in its attempt to make a positive difference in people's lives. Many recipients become trapped by a system that provides only immediate financial support. There appears to be little help to sort out the problems that tie them in a state of dependency, or to help them take advantage of the very opportunities that could establish their independence. Under such circumstances these recipients are seen by some as overly dependent and unmotivated. Staff are caught in the middle, understanding the plight of the *trapped* recipient on the one hand, appreciating the concern of the taxpayer on the other, but powerless to effect any meaningful changes.

The Welfare Assistance program is only as good as its capacity to deliver on stated intentions, and the capacity of its beneficiaries to make the most of the benefits and services. This implies a mutual responsibility, the acceptance of which is essential to the *de-institutionalization* of welfare assistance. Welfare assistance, historically, was established to take care of very dependent persons during a time when opportunities did not exist for the disabled, elderly, or mothers with dependent children. Today, however, disabled and single parent recipients expect to participate constructively in the community through training and employment opportunities. In addition, the program was not designed to assist large numbers of employable persons who, because of their capabilities are even more demanding of the right to full participation in society.

If the current system is to work to the future benefit of all recipients, and society as a whole it must deliver adequate basic and special needs benefits in a non-judgmental, non-stigmatizing way. It must provide resources and opportunities to help recipients gain or regain independence and self-sufficiency; involve recipients in ways that give meaning to personal initiative; and help recipients to creatively assist one another in the pursuit of independence.

Partnership and Participation

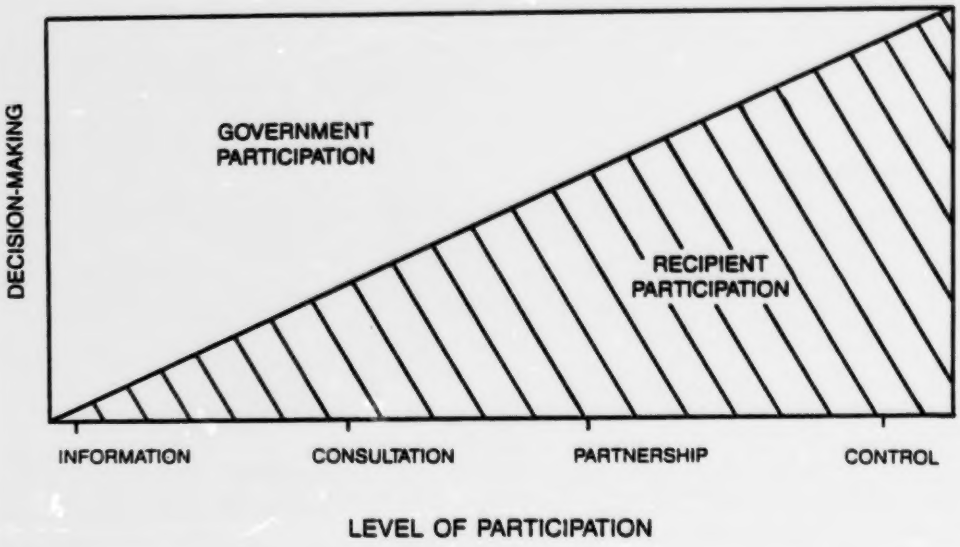
It seems somewhat idealistic to think of a partnership between recipients and government, but such a partnership may be possible when there is mutual gain. Obviously, the government would not be interested in granting to recipients a full partnership in the operation of Welfare Assistance. On the other hand, recipients are not about to the make government representatives full partners in the operation of their daily lives. There are, however, some joint interests leading to the possibility of a mutually beneficial association. For those who have little prospect of economic independence, both government and recipients have an interest in a standard of living that allows at least some degree of modest comfort and community participation. For those recipients who have some potential for economic self-sufficiency, both have an interest in realizing that potential as soon as possible. Neither of these objectives is likely to be obtained if the relationship between government and recipient is characterized by conflict and alienation.

Diagram 9 indicates the various relationships possible when considering participation between government and recipient. As illustrated, recipient participation in decision-making increases as government control decreases. In order for a recipient or recipient group to become consultant to or partner with government, meaningful participation in program matters must be allowed.

Currently, the recipient participation role is almost entirely restricted to the passive receipt of information. In fact, it has been earlier identified that, in too many instances, recipients do not receive necessary information. Referring to diagram 9, there is significant room for improvement if the desire exists to allow greater participation by recipients in developing the program that affects their lives so significantly. The first step is obviously to develop a more effective method of providing relevant information to all recipients. The next step is to consult with recipients on matters such as eligibility, benefits, policies and procedures. Consultation does not carry with it any obligation beyond listening. Partnerships, in turn, may begin with mutual problem solving, but are usually characterized by a sharing of the decision making. Control of a program financed from public funds cannot be assumed by recipients. It is possible, however, to expect that certain activities or delivery of services could be controlled by a recipient group, and paid by government through contract or purchase of service agreement.

DIAGRAM 9

RECIPIENT PARTICIPATION IN DECISION-MAKING


DECISION-MAKING
GOVERNMENT PARTICIPATION
RECIPIENT PARTICIPATION
INFORMATION
CONSULTATION
PARTNERSHIP
CONTROL
LEVEL OF PARTICIPATION

It may not be realistic to expect that full partnership can be achieved. This, however, is less important than the spirit of partnership, which could be achieved through a relationship characterized by openness, consultation, and mutual problem-solving. In this spirit we recommend that:

Recommendation #64

The Department of Health and Social Services develop a process to consult routinely with recipient representatives or advocacy groups in the interest of more effective welfare assistance policy formation.

Self-Help

We have indicated earlier that the Welfare Assistance program has had little success in helping recipients realize their potential. The reason for this can be found in the paternalistic roots from which the current program has grown. As long as the intent was to provide timely handouts to permanently dependent persons, concerns were primarily with matters of administration and adequacy of benefits. Now that recipients are viewed less as dependents and increasingly as individuals with many and varied capabilities, we are confronted with new challenges in responding to their desires to be independent. Recipients, on the other hand, have for some time been asking to be treated more as individuals with realistic hopes and dreams, requiring only the opportunity to realize their potential. Less obvious to government and the recipients themselves is the possible benefit of the recipients' own collective capabilities. Advocacy groups of recipients and concerned persons have pooled efforts to press for better benefits; better policies, and better communication. Most of these efforts, however, appear to have been directed at government to do more for recipients. The same kind of energy does not seem to have been put into organizing self-help efforts that would assist fellow recipients, independent of government programs or benefits.

Government cannot, and should not, be expected to meet all the needs of recipients and most recipients themselves would not expect that of government. In fact, welfare assistance workers are often not properly skilled or adequately experienced in certain problem areas to be of much help to recipients, and many have little time to help with other than financial needs. Fellow recipients, on the other hand, often have the time and frequently the skills to be of assistance to one another. Certainly, recipients who know one another help directly with such things as baby-sitting, transportation, advice and supportive listening.In addition, groups like ALERT help rally recipients around issues. However, there does not seem to have developed, a serious and sustained effort to create self-help groups for the purpose of providing on-going support or services to one another. The kinds of needs that lend themselves to self-help initiatives could include social/support groups, child care training, job search assistance, household management, landlord-tenant relations, family relationship building, clothing exchange, course tutoring, literacy training, and apartment hunting. The real benefit of such initiatives is two-fold: 1) that recipients receive from peers help and support that otherwise might not be available to them, and 2) recipients gain the satisfaction and self-confidence that accompanies helping others solve problems or achieve goals.

There have been many examples of successful self-help activities on Prince Edward Island, like the mutual support groups formed by "clusters" of foster parents, community school and so on. Such efforts should enhance government services, not replace them. In addition, we believe that government does have a responsibility to help efforts directed toward greater self-sufficiency, and recommend that:

Recommendation #65

The Department of Health and Social Services provide skilled staff to help recipients initiate self-help and support groups.

Community Development

The role of the local community diminished significantly as government programs took over functions previously performed by families and neighbors. This change was hastened by the shifts in employment from rural to urban areas. In recent years, however, many communities have begun to make a comeback, as residents work cooperatively to find local solutions to problems of unemployment and personal service needs. It is now more commonly acknowledged that not all new employment or health services, or residential care options must necessarily be located in highly populated areas. As communities are demonstrating renewed interest and vitality, governments are being asked to assist as partners in local community development activities.

Local community economic development in particular is enjoying a renewal on Prince Edward Island as government, through the Department of Industry, assists local industrial commissions, private businesses, and community cooperatives. More recently, the Department of Health and Social Services Employment Enhancement Program is helping to train recipients for local employment, and is subsidizing wages to give both recipient and employer a period of support that will help those efforts succeed.

One of the concerns expressed by Committee members has been the need for improved involvement of the community in the lives of welfare assistance recipients. The stigma that is associated with being on assistance tends to isolate most recipients. Whether a person is employable and needs work, or disabled and needs special care, the opportunity to be a part of a caring community contributes significantly to mental and physical well-being. For this reason, any effort to integrate recipients with the rest of their community should have a positive effect on both recipients and community members.

Recipients who have employment potential can least be assisted by helping them become earning and contributing members of their own communities. As discussed in Chapter 7 (Employment), this is perhaps most effectively achieved by helping them to train and become employed in local businesses. Considering the value our society places on the work ethic and self-sufficiency, this is obviously the shortest route to acceptance. Recipients who have limited or no employment potential will find greater possibilities for acceptance by living and participating in their own local communities. Isolation at home or in a large institution provides limited opportunities for interaction with community members. Such interaction is vital to understanding and acceptance. Opportunities for increased community participation were considered in Chapter 7 (Employment) and Chapter 8 (Disabled).

Program Management

We have indicated earlier, that the Welfare Assistance program has an efficient and effective delivery system appropriately shared with a number of other family and personal services, and with a good management structure in the regional offices. We are concerned, however, about a serious weakness at the senior management level, in that there is no one in the central office with full-time responsibilities in welfare assistance. The Director of Welfare Assistance role is carried by the Director of Child and Family Services, although it is only one of numerous programs for which he has responsibility. Other programs and services for which the Director is responsible include: child protection, foster care, adoption, day care, home helpers, family support, mental retardation, physical disabilities, job creation, employment enhancement, speech therapy, and nutrition. Obviously only a small amount of the Director's time can be devoted to welfare assistance issues.

Given the complexity of the program, the need for regional consistency, and the $25 million annual budget, it is imperative that a senior management position be created to give the Director full-time support. Many of the system problems identified in the previous chapter will require the full attention of such a person, if they are to be effectively resolved. Specifically, the problems requiring attention include the continuous updating and clarifying of policy; monitoring policy implementation; staff orientation and training; research and development of new program features; the prevention, detection and recovery of overpayments; and liaison with other key departments and community organizations. All of these areas are essential but largely neglected at the present time. We believe that if government wishes to seriously address the inadequacies of the current program, and build effectively for the future, it will require the leadership of such a position. We therefore recommend that:

Recommendation #66

A full-time senior management position be created to support the Director of Welfare Assistance in the development and operation of the Welfare Assistance program.

Public Relations

In spite of our earlier claim that the most positive public relations are likely to result from efforts to integrate recipients into the economy and social life of the local community, we cannot ignore the impact of direct public relations efforts. From our own experience, and discussions with others, we know that the general public has very little knowledge of the real facts about welfare assistance. This results in the perpetuation of certain myths about the recipients and the program.

Undoubtedly the public would be surprised to learn of the number of recipients who receive only a small amount of assistance in support of other income; who participate in job creation or training opportunities; who are disabled; who are single parents with young children; who have limited education; or who have been on assistance only a short time. The only way such information could become common knowledge is for the Department of Health and Social Services to take the initiative to present such facts to the public using several media forums. Newspapers, radio, television, video cassettes, and public presentations all afford opportunities to present an accurate and positive image of the program and its recipients. In view of this we recommend that:

Recommendation #67

The Department of Health and Social Services initiate a public relations effort to inform the community about the Welfare Assistance program and its recipients.

Restoring Dignity

At a time when many aspects of our day-to-day life are becoming increasingly impersonal, it is most important that our services to people in trouble remain highly personalized. Fewer and fewer families enjoy the advantages of living among life-long friends and extended family. Even those who continue to live in their home communities experience much less personal relationship in their day-to-day family and business contacts. Welfare services must reach both the person and the problem.

Persons who apply for welfare assistance, or who are in receipt of welfare assistance, are often faced with difficulties in other aspects of their lives. They may be trying, with few personal or family resources, to cope with such additional problems as debt stress, housing inadequacies, child behavior difficulties, marriage problems, disability or job search frustration. Common experience suggests that it is much more difficult to pursue dreams and goals when we are having difficulty coping with one or more areas of our lives. Although these other problems are often not immediately identified by the applicant, awareness and understanding of such problems by the worker can be critical in providing other timely and useful assistance.

The welfare assistance worker is in a position to identify and respond to many of these other important needs of the applicant or recipient. Through direct contact with the recipient a worker may be able to provide information, make specific referrals or initiate direct services. The ability of each worker to do this depends to a large extent on attitude and personal competency.

Other factors that influence the rapport that is established between worker and recipient may be outside the control of either. Certain aspects of the design and delivery of the welfare assistance benefits tend to place the worker and recipient in adversarial roles. Credit/Service Authorization forms for example, often have been identified as a delivery mechanism that labels the user as a welfare recipient. Their use is demeaning to the recipient, who must use them and, at the same time, embarrassing to the worker, who has no other means of procuring the necessary goods or services for the recipient.

In broad terms, the welfare assistance delivery system lacks the philosophical intent of the Act or Regulations. Instead of assisting applicants or recipients to realize a greater potential thus resulting in greater personal and financial independence, the system more commonly creates feelings of fear, apprehension, mistrust and alienation. New applicants and new workers find their somewhat idealistic expectations of what the welfare assistance system should be rapidly disappear when confronted with reality. Recipients learn that the main concern of the worker appears to be focused on determining financial need with little attention to other problems that they may be experiencing. Workers learn that policies have little flexibility, that budgets are limited, and that their caseloads are too heavy to allow time for personal attention to recipient needs. Limitations that are to some extent inherent to a needs tested program, cast recipients and workers in roles that are often mutually alienating, sacrificing recipient dignity and self-esteem. In spite of these discouraging observations, we believe it is possible to significantly reduce such mistrust and alienation and increase mutual understanding and respect. We are encouraged by the fact that some workers and recipients, in spite of the nature of the system, have developed relationships of trust and constructive problem-solving. We believe that such relationships could become common, and in turn facilitate the kind of positive growth and risk-taking that leads to greater personal and financial independence.

While we acknowledge that there is mutual responsibility on the part of worker and recipient, to make the working relationship constructive, we believe the primary responsibility to be that of the system. There is no control over who will next appear at the welfare assistance door seeking help, nor what strengths or assets they may be able to employ to help themselves. Each applicant/recipient must be taken as he is. We believe it is government's responsibility to take the first steps toward creating a welfare assistance system with new integrity; one that treats people with dignity and embodies understanding and mutual respect. On such a foundation, new programs designed to encourage real and substantial growth toward independence and self-sufficiency can develop.

PART III

CHAPTER 11 - AN AGENDA FOR CHANGE

CHAPTER 11

AN AGENDA FOR CHANGE

From the outset of this review, Committee members were impressed with government's commitment to a review process that would examine the critical issues of benefit structure and adequacy, alternatives to welfare assistance, and housing issues. We were further encouraged that funds for implementation purposes were set aside.

Priorities for Implementation

We are most concerned that a specific plan be endorsed by government, lest recommendations not be implemented even though there may be wide agreement to their importance. We are also concerned that changes that do not require developmental work be implemented as quickly as possible. Recognizing that some developmental work may take months or even years, it is vital that the process begin now. Where pre-implementation efforts are required, costs will be temporarily deferred. The following proposals for implementation are intended to accommodate the annual cyclical process of government budgetting.

PHASE ONE (1989-90 fiscal year)

Recommendations which do not require developmental work should be implemented IMMEDIATELY, that is at the beginning of the 1989-90 fiscal year. Those requiring limited developmental work can be scheduled for implementation later in the same year.

Basic and Special Needs

- increase food, clothing, household and personal allowance
- provide regulations to require annual cost of living adjustments to basic needs
- provide automatic annual cost of living adjustment to transportation allowance

Shelter

- give priority to construction of family housing units
- improve waiting list to reflect true need for subsidized housing
- increase shelter ceilings

Family

- increase school allowance
- provide child development allowance
- provide supervision and training contracts for young single mothers

Employment

- increase allowance for employment commencement expenses
- improve minimum earnings exemption
- expand earnings exemption to all applicants and recipients working or in training
- make employment resource worker positions permanent
- renew federal/provincial agreement to enhance employability of recipients
- continue Job Creation Program with adequate level of funding
- work with Department of Industry to develop community employment opportunities

Disability

- extend personal comfort allowance to all disabled persons
- increase special care allowance
- expand respite care to all severely disabled recipients
- continue to develop in-home supports

- increase allowable asset limits for disabled persons preparing for independent living
- expand commercial shelter ceilings to disabled persons living with parents or relatives, in self-contained units

Program Delivery

- give greater priority to monitoring worker-recipient relationships
- provide routine policy consultation between central and regional offices
- provide routine staff development
- have central office routinely monitor policy implementation
- eliminate C/SAs
- inform recipients of policy or benefit changes

PHASE TWO (1990-91 fiscal year)

We cannot expect recommendations requiring considerable developmental work to be realistically implemented during the first fiscal year. Phase two, for the most part, focuses upon recommendations involving considerable developmental work and consultation with other organizations.

Basic and Special Needs

- provide clothing allowance to short-term recipients
- develop guidelines for FCHP costing; and an information/ education program to assist recipients get best value for benefit dollar
- determine special needs budget as a percentage of basic needs budget
- provide restorative dental services for adult recipients

Shelter

- provide recipients with an information package on Rental of Residential Property Act
- establish shelter ceilings by survey of actual costs, and adjusted annually
- implement a modest home repair program
- provide a homeowner's allowance for minor repair and preventive maintenance
- collaborate to develop more effective low income housing policies

Family

- develop new initiatives to help children and adults learn skills that will strengthen family relationships and parenting abilities
- develop a strategy of prevention and early intervention in school dropout problem
- develop programs and policies to support young single mothers
- assist single parents to develop life and parenting skills

Disability

- develop policy to facilitate plans of disabled persons with potential for independent living
- provide special needs account for household goods needed by unemployed disabled persons who have been approved for more independent living option
- increase allowable asset limit for employed disabled persons preparing for independent living

Program Delivery

- provide staff training in appropriate attitude and relationship skills
- transfer or reassign staff who cannot develop appropriate work skills
- limit mail-in review process to recipients with family support network
- provide additional welfare assistance staff
- integrate welfare assistance staff with staff of other programs
- broaden work assignments of welfare assistance worker
- provide recipients with the option of two cheques per month
- develop a program information kit for applicants
- develop an easily understood program manual for recipients
- develop prevention, detection, and recovery strategy to minimize benefit loss

Building for the Future

- begin a policy consultation process with recipients
- provide skilled staff to help recipients initiate self-help and support groups
- initiate a public relations effort to better inform community

PHASE THREE (1991)

Recommendations of this phase will require a long-term developmental process, extensive inter-governmental discussion and negotiation. These recommendations affect a much broader population than is presently being served by the welfare assistance program.

Tomorrow

- pursue discussions leading to national, universal pension plan for disabled persons
- pursue discussions leading to national guaranteed annual income

Basic and Special Needs

- establish a universal dental program for adults

Estimated Costs

The costs of implementing some recommendations are easier to determine than others. When the recommendation proposes an increase to an existing benefit, determination of cost is reasonably straightforward. Costs can only be estimated when recommendations involve a change in eligibility criteria or a further assessment of need. The staffing costs for developmental work required for many recommendations cannot be estimated until an implementation plan is agreed upon. In view of this, the costs presented below are estimates only, based on the best information available to the Committee at this time.

PHASE ONE (1989-90 fiscal year)

The analyzed costs of direct benefits to recipients during the 1989-90 fiscal year is estimated to be approximately 3.5 million dollars. However, some benefits such as allowances for child development, special care and respite care would only be implemented as needs were identified. In addition, some pre-implementation work is required on other recommendations. Therefore, 3 million dollars is thought to be a more realistic cost during phase one. One-half million of this would be reimbursed by the Canadian Assistance Plan. Net cost to the province therefore, would be 1.5 million dollars.

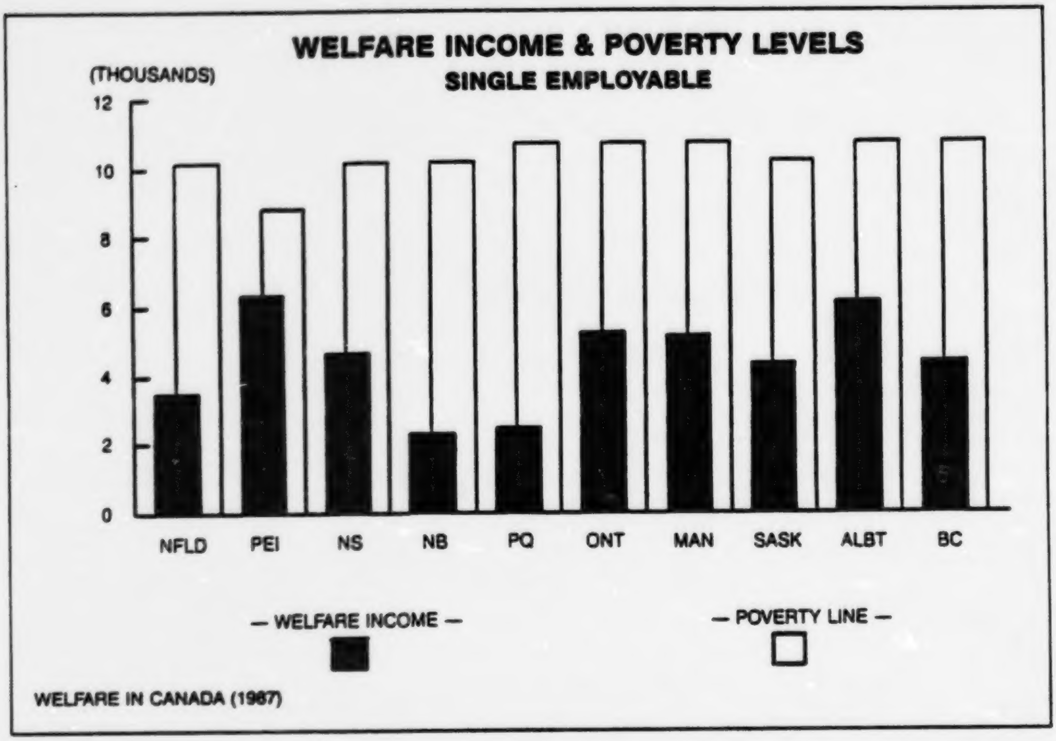
PHASE TWO (1990-91 fiscal year)

Direct benefit costs for phase two recommendations are estimated to be approximately $600,000, one-half of this would be reimbursed by the Canadian Assistance Plan for a net cost to the province of $300,000. Cost estimates during phase two do not include costs of recommendations such as an increase in low renting family housing or a broad income-tested home repair program. These are seen as benefiting a broader target group than welfare assistance recipients and would not form part of the Department of Health and Social Services' budget.

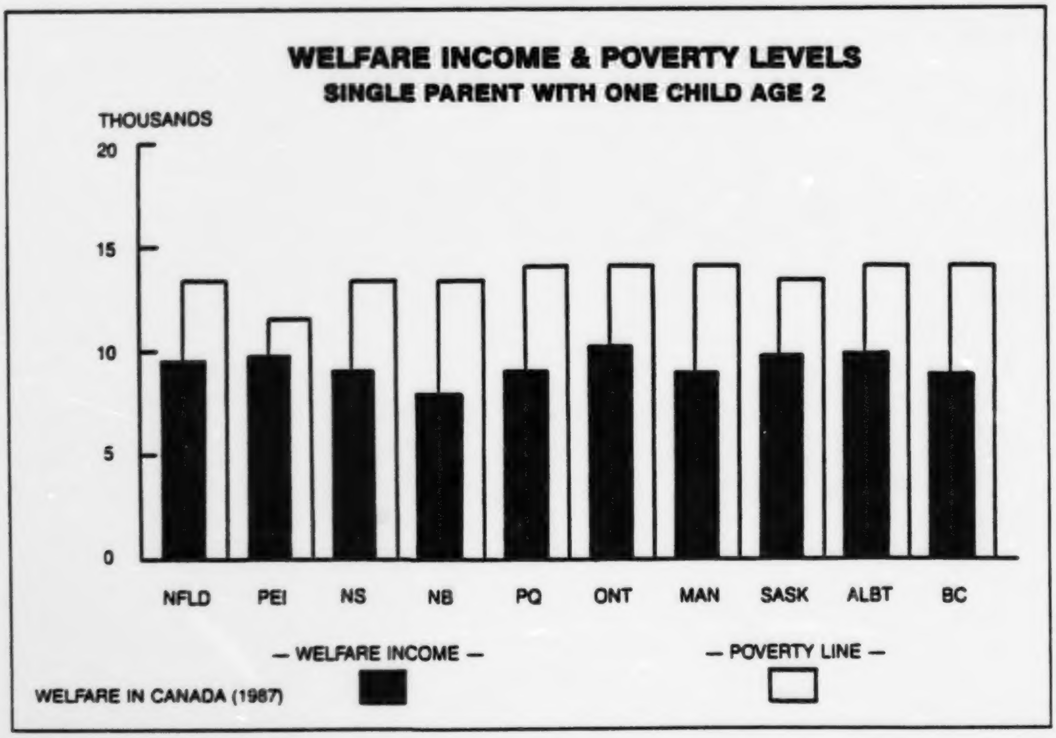
PHASE THREE (1991-)

The Committee cannot estimate the cost of the broader-based recommendations which involve both the federal and provincial governments. Long-term planning and negotiations with federal and provincial governments would be required to develop programs such as a national disability pension or a guaranteed annual income. A universal dental program would involve the entire adult population and if accepted would likely be implemented over a number of years. In view of this, our Committee is most concerned that serious discussion of these concepts begin for the future benefit of the people of Prince Edward Island.

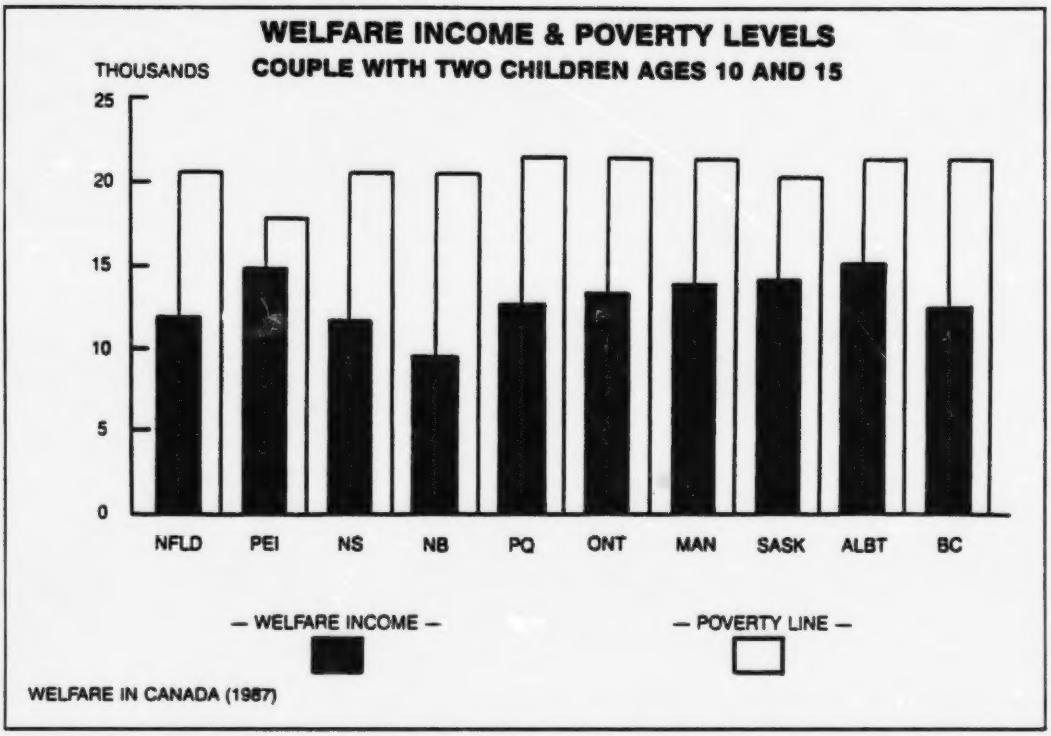
APPENDIX A



WELFARE IN CANADA (1987)

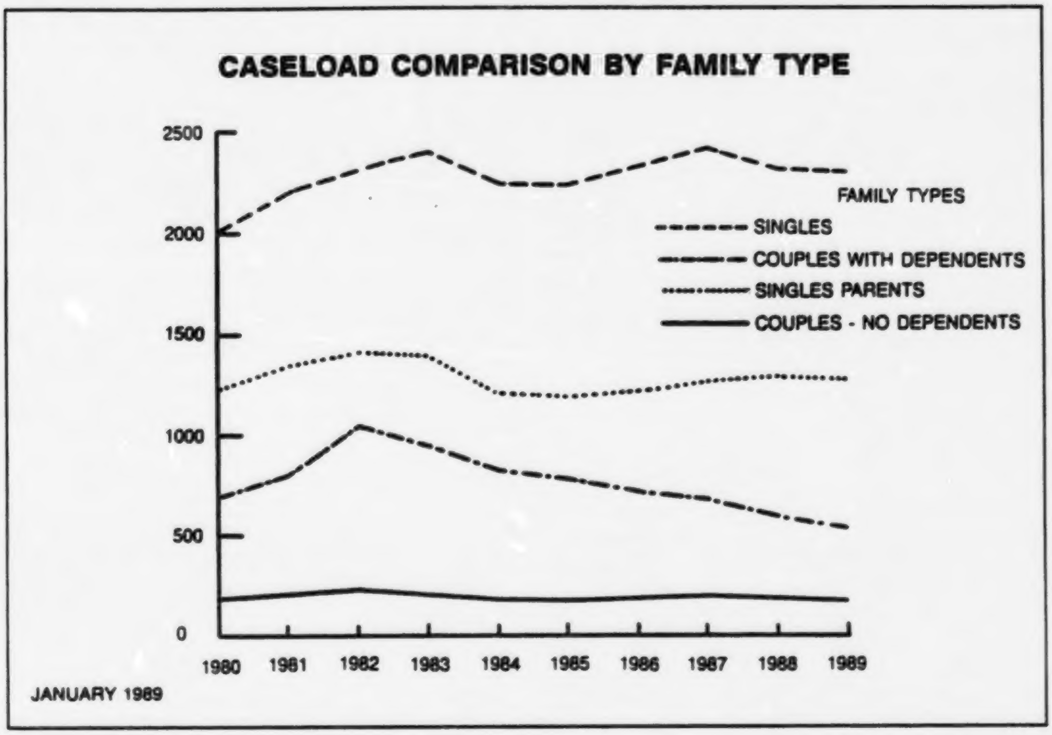


WELFARE IN CANADA (1987)



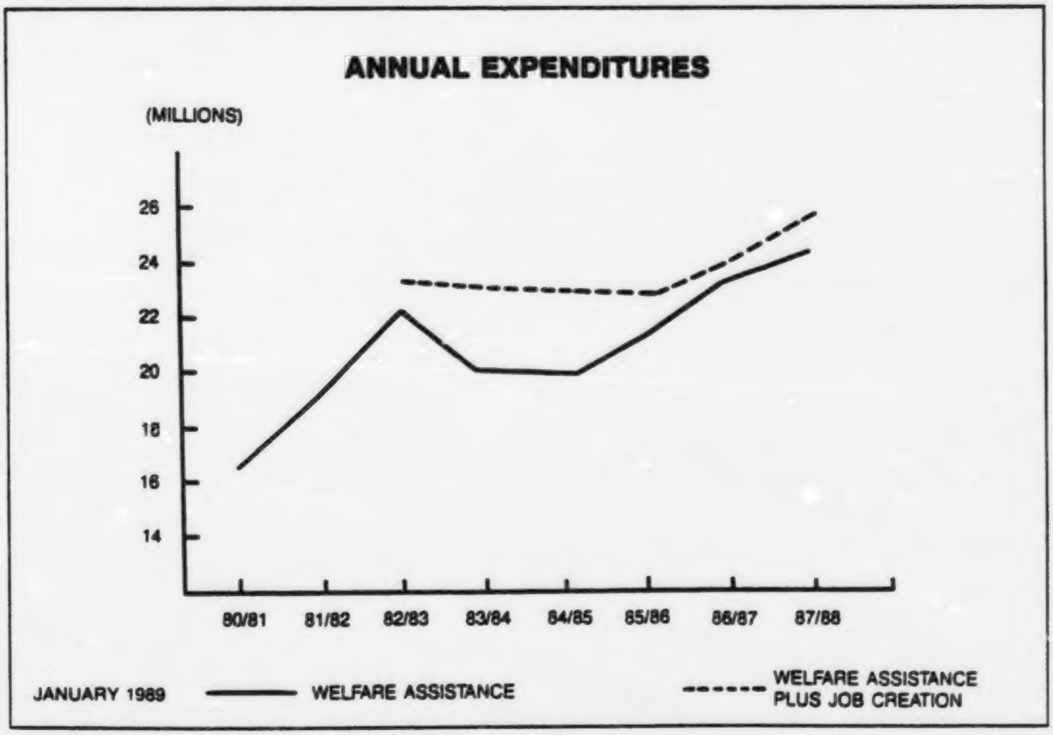
Welfare income includes:	welfare assistance payments, family allowance, child tax credit and provincial tax credits. • Numerous assumptions and generalizations were necessary to make provincial comparisons possible • Figures have been calculated according to maximum levels allowed by each province for basic needs. Most recipients in P.E.I., for example, would not receive the maximum shelter benefit.
Poverty Line:	set by the National Welfare Council, based on Statistics Canada "low income cut offs", where on average 58.5% of income goes to the essentials of life.

* Source - National Council of Welfare - "Welfare in Canada, the Tangled Safety Net" (1987)



CASELOAD COMPARISON BY FAMILY TYPE

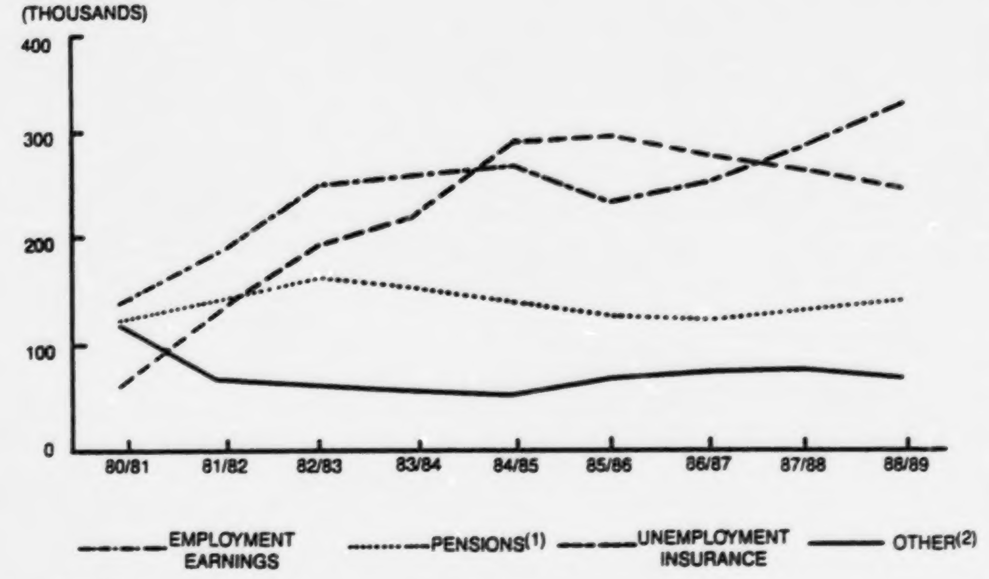
JANUARY 1989



ANNUAL EXPENDITURES

JANUARY 1989

AVERAGE MONTHLY TOTAL INCOME REPORTED BY RECIPIENTS



JANUARY 1989

(1) PENSION INCOME INCLUDES: OAS, CPP, WAR VETERANS AND PRIVATE PENSIONS.

(2) OTHER INCOME INCLUDES: WORKERS COMPENSATION, CHILD SUPPORT, ROOM AND BOARD, PROPERTY RENTAL, ETC., AND UNTIL JUNE 1981 INCLUDED FAMILY ALLOWANCE.

BASIC AND SPECIAL NEEDS

(as specified in Welfare Assitance Act Regulations and Policy)*

BASIC NEEDS

- Food
    - pregnancy food allowance
    - special diets
- Drugs
- Shelter
    - rent, heat, electricity
    - mortgage, heat, electricity, taxes, fire insurance
    - room and board
    - shared accommodation
- Clothing
- Personal Requirements
- Household Supplies

SPECIAL NEEDS

- Transportation
    - relocation
    - medical, hospital or nursing care not available locally
    - to and from employment
- Special care of disabled persons (non-institutional)
- Intensive care (community care facilities)
- Personal comfort needs of disabled
- School supplies, fees, gymnasium clothing
- Expenses incidental to commencing employment
- Home care and respite services
- Home repairs
- Installation of utilities
- Shelter/utility or property tax arrears
- Burial expenses
- Dental services
- Optical services
- Prosthetic
- Furniture and appliances
- Other items for health, safety and well-being

* Note: Eligibility for any of the listed items must be determined in accordance with eligibility requirements as specified in the Welfare Assistance Act Regulations and policy directives.

APPENDIX C

PRESCRIBED RATES FOR FOOD, CLOTHING, HOUSEHOLD AND PERSONAL (FCHP) EXPENSES

(Welfare Assistance Act Regulations - Section 18)

FOOD

Schedule of Food Allowance

	MAXIMUM MONTHLY ASSISTANCE FAMILY UNITS		
	ONE PERSON	2-3 PERSONS	4 OR MORE PERSONS
One Adult	$107.00	$102.00 for adult	$ 87.00 for the adult
Two Adults		$179.00 for two adults	$161.00 for two adults
Child 12-18		$112.00 per child	$104.00 per child
Child 0-11		$ 79.00 per child	$ 71.00 per child

CLOTHING	MAXIMUM MONTHLY ASSISTANCE
Adult	$19.00 per person per month
Child 12-18	$22.00 per person per month
Child 0-11	$19.00 per person per month

HOUSEHOLD SUPPLIES	MAXIMUM MONTHLY ASSISTANCE
One person family unit	$12.00 per family unit
Two person family unit	$16.00 per family unit
Three person family unit	$21.00 per family unit
Four person family unit	$25.00 per family unit
Five person family unit	$29.00 per family unit
Six person family unit	$32.00 per family unit
Seven person family unit	$34.00 per family unit
Eight person family unit	$37.00 per family unit
Nine person family unit	$40.00 per family unit
Ten person family unit	$43.00 per family unit
More than ten persons.	$46.00 per family unit

PERSONAL REQUIREMENTS	MAXIMUM MONTHLY ASSISTANCE
One Adult	$15.00 per person
Two Adults (in one family)	$28.00 per two adults
Child 12-18	$14.00 per person
Child 0-11	$10.00 per person

APPENDIX D

AVERAGE FOOD COSTS ON PRINCE EDWARD ISLAND AS AT 06-JANUARY-88

	COST PER DAY	CHANGE BASE DATE*	CHANGE PREVIOUS PRICING	COST PER WEEK	CHANGE BASE DATE	CHANGE PREVIOUS PRICING**	COST PER MONTH	CHANGE BASE DATE*	CHANGE PREVIOUS PRICING**
Moderately Active Man	$3.36	80.23%	1.26%	$23.55	80.23%	1.26%	$100.93	80.23%	1.26%
Moderately Active Woman	$2.71	82.22%	3.07%	$18.98	82.22%	3.07%	$ 81.34	82.22%	3.07%
Pregnant Woman	$3.50	80.19%	1.38%	$24.53	80.19%	1.38%	$105.13	80.19%	1.38%
Girl (12-18)	$3.16	82.56%	2.37%	$22.11	82.56%	2.37%	$ 94.74	82.56%	2.37%
Boy (12-18)	$3.79	80.34%	1.58%	$26.53	80.34%	1.58%	$113.70	80.34%	1.58%
Child (7-11)	$2.69	79.08%	1.35%	$18.83	79.08%	1.35%	$ 80.71	79.08%	1.35%
Child (0-6)	$2.20	79.30%	1.86%	$15.42	79.30%	1.86%	$ 66.09	79.30%	1.86%
1500 CAL. (DIABETIC)	$2.36	82.54%	1.51%	$16.55	82.54%	1.51%	$ 70.92	82.54%	1.51%
1800 CAL. (DIABETIC)	$2.86	84.13%	2.24%	$20.03	84.13%	2.24%	$ 85.83	84.13%	2.24%
2000 CAL. (DIABETIC)	$3.10	84.47%	2.37%	$21.69	84.47%	2.37%	$ 92.95	84.47%	2.37%
Ulcer Diet	$3.27	77.92%	0.98%	$22.88	77.92%	0.98%	$ 98.04	77.92%	0.98%
Low Cholesterol Diet	$3.49	85.42%	-0.03%	$24.46	85.42%	-0.03%	$104.83	85.42%	-0.03%

* 06-SEPT-77
** 16-SEPT-87

The Department of Health and Social Services conducts a food costing survey three times a year in each of the five regions on Prince Edward Island. Independent price surveyors are hired to check food prices using a standardized list, in the three most commonly used grocery stores in each of the five regions. The total cost of a nutritionally adequate diet is then calculated for individual groups, i.e pregnant women and families of different sizes, on daily, weekly and monthly basis.

SUPPORT NEEDS REQUIRED BY RECIPIENTS WITH EMPLOYMENT POTENTIAL

Low Employment Support Needs

Individuals may be identified by a recent attachment to the work force, a history of good work habits, marketable skills, a general awareness of their abilities and limitations, and a display of confidence and motivation. The only significant barrier to employment for this level will be the lack of a job opportunity.

Support activities may include:

(1) Information on local job seeking and available opportunities such as local C.E.C. "Job Board" or "Job Line", job creation programs, private employers, farm labor pool, and Civil Service Commission, and special programs for women, natives, the disabled, etc.

(2) Problem-solving assistance with minor employment barriers such as transportation, clothing, babysitting, etc.

(3) Monitoring of job search efforts to assess motivation and employment related expectations.

Moderate Employment Support Needs

Such individuals may be identified by a distant attachment to the work force, sufficient general education/training but lacking specific skills, limited work experience, few job search skills and/or discouragement with the job search, low self-confidence and motivation, difficulty in presenting himself/herself well, limited social skills, etc.

Short-term support activities may include:

(1) Counselling/facilitating to identify barriers to employment and develop a case plan to overcome employment barriers related to education, social skills, experience, confidence, etc.

(2) Referral to specific resources for further assessment, training for skill development and/or work experience opportunities. Referral resources include: employment resource workers, C.E.C. counsellors, job creation coordinators, and coordinators of special projects for the employment disadvantaged.

High Employment Support Needs

Such individuals may be identified by one or more of the following: insufficient education/training, little or no work experience, poor work habits, no marketable skills, low motivation, history of dependency on financial assistance, low self-confidence, poor presentation, major physical/mental/emotional familial barriers, and/or very poor relationship/social skills.

Long-term support activities may include:

(1) Assessment by Employment Resource Workers to appropriately identify barriers to employment and specific effect on employability.

(2) Case planning to assist individual to move from dependency to a more independent level of functioning, recognizing that it may take several years to achieve desired goals.

(3) Contracting to provide or help individual access such service activities as counselling to increase self-confidence/self awareness/social skills; life skills training; basic upgrading; work adjustment courses; job assessment opportunities; placement on special projects for the "severe employment disadvantaged", or other placements to gain work experience.

APPENDIX F

Listed below are community organizations, staff of government departments and private citizens who made written submissions, or provided consultation to the Committee during the course of the review.

WRITTEN SUBMISSIONS

Community Organizations and Industries:

- ALERT (Summerside, Montague and Souris)
- Catholic Family Services Bureau
- Catholic Women's League of Prince Edward Island
- Construction Association of Prince Edward Island
- Latin American Mission Program
- MacAusland, Colin
- MacLeod, Jacqueline MSW
- Native Council of Prince Edward Island
- People First
- Prince Edward Island Association of Rehabilitation Workshops
- Prince Edward Island Advisory Council on the Status of Women
- Prince Edward Island Association of Professional Social Workers
- Prince Edward Island Council of the Disabled Inc.
- Prince Edward Island Federation of Agriculture
- Prince Edward Island Guidance Counselling Association
- Prince Edward Island Human Rights Commission
- Prince Edward Island Recreation and Sports Association for the Disabled
- Prince Edward Island Teacher's Federation
- Realwomen of Prince Edward Island

Department of Health and Social Services:

- Arsenault, Roma (Social Service Worker, Summerside)
- Coordinator of Residential Services
- Director of Child and Family Services
- Director of Child Welfare
- Director of Home Care and Support
- Staff of Region 1 - O'Leary
- Staff of Region 2 - Summerside
- Staff of Region 3 - Charlottetown
- Staff of Region 4/5 - Montague/Souris

CONSULTATIONS:

- Department of Health and Social Services:
    - Assistant to Director of Child and Family Services
    - Director of Dental Public Health
    - Nutrition Coordinator
    - Staff Training Officer
- Department of Industry
- P.E.I. Housing Corporation
- Regional Administrative School Unit #1
- Regional Administrative School Unit #2
- Regional Administrative School Unit #3
- Regional Administrative School Unit #4

APPENDIX G

RECOMMENDATIONS AS LISTED IN REPORT

The Welfare Assistance Review Committee recommends that:

CHAPTER 3 - TOMORROW

1. The Government of Prince Edward Island actively participate with the Government of Canada and other provinces and territories in discussions leading to a national, universal program for disabled persons.
2. The Government of Prince Edward Island actively participate in discussions with the Government of Canada and other provinces and territories, leading to a national guaranteed annual income.

CHAPTER 4 - BASIC AND SPECIAL NEEDS

3. The food allowance benefit be immediately increased by 6%.
4. The monthly clothing allowance be immediately increased by 6%.
5. A regular clothing allowance be provided from the date of eligibility for assistance.
6. A seasonal clothing allowance of $6 per month, per person, be provided and distributed three times per year.
7. The household allowance be immediately increased by 6%.
8. The personal allowance be immediately increased by 6%.
9. The Department of Health and Social Services and the Department of Agriculture jointly develop a strategy that will:
   1) provide FCHP guidelines for specifying items to be covered, and
   2) implement an information and education program to as assist recipients get the best value for their benefit dollar.
10. The Welfare Assistance Act Regulations be amended to require annual rate adjustments on the basis of regular FCHP cost surveys.
11. The annual special budget appropriation be determined as a percentage of the annual basic needs budget.
12. The mileage rate to cover approved recipient transportation be indexed for automatic inflation adjustment.
13. A universal dental program be established for adult residents of Prince Edward Island.
14. Preventive and restorative dental services be available to adult welfare assistance recipients to a maximum of $200 per adult per year.

CHAPTER 5 - SHELTER

15. Information on the Residential Rental Property Act and Regulations, written in easy to understand language, be provided to all recipients in rental accommodation.

16. Greater priority be given to construction of family housing units based on the real needs of low income families.

17. Greater effort be given to compiling a current waiting list that is a true reflection of the housing need.

18. Future shelter ceilings be established in relation to actual cost of low to moderately priced units of acceptable standards and adjusted annually in accordance with the Rental of Residential Property Act.

19. Current shelter ceilings be increased by an amount equal to the rent increases allowed by the Rentalsman since 1 April 1986.

20. Government implement a modest repair program similar to that proposed by the P.E.I. Housing Corporation to assist homeowners with repairs critical to continuing long-term occupancy.

21. Recipient homeowners be granted a $25 allowance per month, payable once per year to cover the cost of minor repairs and preventive maintenance.

22. A special initiative be taken by government to bring together representatives of the P.E.I. Housing Corporation, Department of Health and Social Services, CMHC, and any appropriate private sector organizations to plan for more effective policies and programs to serve the housing needs of low income residents of Prince Edward Island.

CHAPTER 6 - FAMILY

23. The Department of Health and Social Services in cooperation with the other appropriate government departments and private family agencies develop new initiatives that will strengthen family relationships and parenting abilities.

24. The annual school allowance be increased to $75 for children 6-11 years old and $100 for children 12 and over who are attending public school.

25. An annual maximum child development allowance of $200 per child be available as an item of special need to allow families to meet the cost of special cultural, athletic, artistic or social programs for their children.

26. The Department of Health and Social Services and the Department of Education jointly develop a strategy of prevention and early intervention in the problem of children prematurely leaving school, and of providing other educational options to those unable to be served by existing programs.

27. The Department of Health and Social Services identify the needs of young single mothers and give a special priority to develop programs and policies to meet those needs.

28. A special supervision and training allowance to a maximum of $150 per month be available to persons who contract to provide specific services enabling single mothers on assistance to develop parenting and homemaking skills.

29. The Department of Health and Social Services initiate measures to promote or develop personal growth and support opportunities designed to assist single parents with the development of life skills, and in particular those skills that will enhance parenting abilities.

CHAPTER 7 - EMPLOYMENT

30. The maximum discretionary allowance for expenses incidental to commencing new employment be raised to $200 once per fiscal year, and extended also to those commencing training.

31. In calculating eligibility for assistance, an exemption of $100% of earned income to a maximum of $95 per month (single) and $190 per month (family) or 20% of earned income, whichever is greater, be allowed.

32. Eligibility for the earnings exemption include both applicants and recipients, and it be available without time-limit for the purpose of calculating continuing eligibility.

33. Employment resource worker positions be made permanent.

34. The Canada/Prince Edward Island Agreement to Enhance the Employability of Social Assistance Recipients be renewed.

35. The Job Creation Program be continued each year, with adequate annual funding to meet the needs of those least likely to find other employment opportunities.

36. The Department of Health and Social Services begin to work directly with the Department of Industry to jointly develop local community employment opportunities.

37. The $50 per month personal comfort allowance be extended to all disabled recipients who are unable to earn casual income.

CHAPTER 8 - DISABILITY

38. The special care allowance to those caring for disabled adults in their homes be increased to a maximum of $150 per month, depending on the level of dependency.

39. The respite care allowance be extended to any family caring for a severely disabled adult regardless of the cause of the disability.

40. The Department of Health and Social Services continue to develop or facilitate local development of in-home support services to complement care provided by families and other members of the local community.

41. A specific policy be developed to facilitate the plans of disabled persons who show potential for more independent living.

42. A separate special needs account be established to cover the purchase of household goods for those unemployed disabled persons whose community living plans have been approved.

43. Allowable asset limits be increased to the Canadian Assistance Plan limit for employed disabled persons who are preparing for more independent living arrangements.

44. The standard commercial shelter ceiling be available to disabled persons who have the opportunity to live in a self-contained unit with or adjacent to parents or relatives.

CHAPTER 9 - PROGRAM DELIVERY

45. Training in appropriate attitudes and relationship skills be required of all welfare assistance field staff.

46. Staff who cannot develop the appropriate skills and behavior be transferred or provided with less sensitive work.

47. Greater priority be given to monitoring worker-recipient relationships.

48. Routine consultation take place between central and regional offices to review policy and develop practice expectations, and where possible, a process of consensus be utilized in such decision-making.

49. Routine staff development be provided so that there is a consistency among all staff members in the implementation of policy and in practice.

50. Central office staff routinely monitor the implementation of policy to ensure consistent practice.

51. That the mail-in review process be limited to those recipients who, in addition to financial stability, have a family support network to attend to their other needs.

52. The Department of Health and Social Services seek to establish client/worker ratios that will ensure a reasonable level of service to all welfare assistance recipients.

53. The Division of Child and Family Services be provided with sufficient additional qualified staff to reduce welfare assistance caseloads by one third, to allow more personal attention to each case.

54. The Division of Child and Family Services establish organizing principles that will ensure welfare assistance staff are part of integrated regional staff work units.

55. The workload assignments of welfare assistance workers be broadened to help recipients with problems other than immediate financial need.

56. Immediate steps be taken to eliminate the use of most C/SAs by developing a procedure for issuing cheques from the regional offices.

57. A procedure be developed to provide recipients with the option of two cheques per month, preferably allowing the recipients to determine the nature of the split.

58. A communication kit be developed to provide applicants and beneficiaries with program and benefit information in easily understood language.

59. Recipients be informed, by mail or newsletter, of policy or benefit changes that could directly or indirectly affect the amount or type of assistance received.

60. A booklet or manual explaining program and policy detail in easily understood language be made available to all interested recipients and periodically revised to ensure accuracy.

61. Dissatisfied applicants and recipients be routinely offered the opportunity to informally appeal to a supervisor or other appropriate higher authority.

62. The Department of Health and Social Services review the appeal hearing legislation with the Department of Justice and explore the possibility of making legal aid resources available to recipient appellants.

63. Steps be taken to ensure that prevention, detection, and recovery techniques be developed to minimize the opportunities that unfair advantage may be taken of assistance benefits.

CHAPTER 10 - BUILDING FOR THE FUTURE

64. The Department of Health and Social Services develop a process to consult routinely with recipient representatives or advocacy groups in the interest of more effective welfare assistance policy formation.

65. The Department of Health and Social Services provide skilled staff to help recipients initiate self-help and support groups.

66. A full-time senior management position be created to support the Director of Welfare Assistance in the development and operation of the Welfare Assistance program.

67. The Department of Health and Social Services initiate a public relations effort to inform the community about the Welfare Assistance program and its recipients.